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JOB TRAINING PARTNERSHIP ACT YOUTH EMPLOYMENT AMENDMENTS OF 1989

HEARINGS

BEFORE THE

SUBCOMMITTEE ON
EMPLOYMENT AND PRODUCTIVITY

OF THE

COMMITTEE ON
LABOR AND HUMAN RESOURCES
UNITED STATES SENATE

ONE HUNDRED FIRST CONGRESS

FIRST SESSION

ON

S. 543

TO AMEND THE JOB TRAINING PARTNERSHIP ACT TO STRENGTHEN THE PROGRAM OF EMPLOYMENT AND TRAINING ASSISTANCE UNDER THAT ACT, AND FOR OTHER PURPOSES

APRIL 24, 1989, MOLINE, IL
MAY 1, 1989, PHILADELPHIA, PA
MAY 11, 1989, WASHINGTON, DC

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JOB TRAINING PARTNERSHIP ACT YOUTH EMPLOYMENT AMENDMENTS OF 1989

MONDAY, APRIL 24, 1989

U.S. Senate,
Subcommittee on Employment and Productivity,
Committee on Labor and Human Resources,
Moline, IL.

The subcommittee met, pursuant to notice, at 1:30 p.m., in room 306, Building 1, Black Hawk College, Moline, IL, Senator Paul Simon (chairman of the subcommittee) presiding.

Present: Senator Simon.

OPENING STATEMENT OF SENATOR SIMON

Senator Simon. I am pleased to be back on the campus of Black Hawk once again, and I am pleased to see a number of local officials here who are concerned and have expressed an interest in this.

This is a hearing on the Job Training Partnership Act on a proposal I have to amend it. The amendment is intended to focus a little more attention on communities that really have problems. There is no better illustration than the Quad City area. I sense things are bottoming out and the Quad Cities are moving back up. But there still are serious unemployment problems. JTPA right now reaches about 5 percent of those who could be reached. We are hopeful that we can do somewhat better, and particularly if we target.

But while the proposal calls for some expansion in dollars, it also protects states and communities. It says that every state would be held harmless 100 percent so that no state would get fewer dollars than they do now, and no community would get less than 90 percent of what they are receiving now. But we do need to target a little more effectively to those who are hardest to employ. We have been worshiping at the shrine of success and when you do that it is very easy to get those who are high school graduates, those who are most easy to employ.

I want to specifically thank Chancellor Herb Lyon of Black Hawk and also thank Cheryl Smith and Pat Fahy of my staff for their work here.

[The opening prepared statement of Senator Simon follows:]

OPENING STATEMENT FOR SENATOR PAUL SIMON (D-IL)
HEARING ON S. 543, THE JOB TRAINING PARTNERSHIP ACT
YOUTH EMPLOYMENT AMENDMENTS OF 1989
SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY
MOLINE, ILLINOIS
April 24, 1989

GOOD MORNING. I WELCOME EACH OF OUR WITNESSES HERE TODAY TO THE FIRST FIELD HEARING IN ILLINOIS ON S. 543, A BILL I INTRODUCED TO AMEND THE JOB TRAINING PARTNERSHIP ACT (JTPA). THIS BILL, "THE JTPA YOUTH EMPLOYMENT AMENDMENTS OF 1989," WAS INTRODUCED IN MARCH AND I LOOK FORWARD TO WORKING WITH EACH OF YOU AS IT PROGRESSES THROUGH THE CONGRESS.

I KNOW THAT EACH OF US HERE TODAY RECOGNIZES THE CRITICAL NEED TO IMPROVE AND EXPAND EMPLOYMENT AND TRAINING OPPORTUNITIES FOR PEOPLE WHO WANT AND NEED TO WORK BUT LACK THE BASIC SKILLS TO OBTAIN A JOB.

DURING THE PAST EIGHT YEARS, THE REAGAN/BUSH ADMINISTRATION HAS BEEN PROUD OF ITS EFFORTS TO LOWER UNEMPLOYMENT -- AND IT HAS BEEN LOWERED. HOWEVER, AT THE SAME TIME WE HAVE SEEN ALARMING INCREASES IN THE NUMBER OF HOMELESS, ESPECIALLY AMONG FAMILIES AND THOSE SIMPLY DISCOURAGED AND NO LONGER SEEKING WORK. AN INCREASING PERCENTAGE OF CHILDREN ARE BORN INTO POVERTY EACH YEAR AND TOO MANY OF OUR YOUNG PEOPLE ARE TURNING TO CRIME AND DRUGS. I WONDER HOW MANY OF OUR UNEMPLOYED ARE DISCOURAGED WORKERS OR YOUNG MALES OR TEEN-PARENTS WHO HAVE NEVER ENTERED THE LABOR FORCE AND WOULD BE RESCUED FROM WELFARE OR INCARCERATION IF A MEANINGFUL JOB WAS IN THEIR FUTURE?

S. 543 IS DESIGNED TO STRENGTHEN EMPLOYMENT AND TRAINING ASSISTANCE PROGRAMS AND TO IMPROVE THE TARGETING OF THESE SCARCE FEDERAL RESOURCES TO ECONOMICALLY DISADVANTAGED ADULTS AND YOUTH, PARTICULARLY THOSE SERVED UNDER TITLE IIA AND IIB. THE CURRENT FORMULA IS MORE WEIGHTED TO THE NUMBERS OF UNEMPLOYED ADULTS THAN TO NUMBERS OF POOR ADULTS AND YOUTH WHO THE PROGRAM IS INTENDED TO SERVE. SINCE MANY POOR YOUTHS HAVE NOT HELD JOBS, THEY ARE NOT COUNTED IN THE UNEMPLOYMENT STATISTICS. THE RESULT IS THAT JPTA's RESOURCES ARE NOT TARGETED WHERE THE LARGE CONCENTRATIONS OF ELIGIBLE, LOW-INCOME PEOPLE RESIDE AND WHERE SMALL POCKETS OF CONCENTRATED POVERTY EXIST.

TO USE ILLINOIS AS AN EXAMPLE, I WANT TO BETTER TARGET FUNDING SO THAT MORE THAN THE PRESENT 15,000 YOUTH NOW BEING SERVED OUT OF THE 200,000 INCOME-ELIGIBLE IN THE CITY OF CHICAGO ARE SERVED, AS WELL AS TO HIT THOSE POCKETS OF SEVERE POVERTY IN SUCH PLACES AS EAST ST. LOUIS IN DOWNSTATE ILLINOIS.

OUR ECONOMY IS FACING TWO HUMAN RESOURCE TREND LINES -- THE SUPPLY OF UNSKILLED (AND OFTEN UNEDUCATED) LABOR IS GOING UP AND THE DEMAND FOR UNSKILLED LABOR IS DECLINING. BETWEEN NOW AND THE YEAR 2000, EMPLOYMENT IN PROFESSIONAL AND MANAGERIAL JOBS WILL INCREASE BY 5.2 MILLION, WHILE OPERATIVE AND LABORER POSITIONS WILL GROW BY ONLY 1.3 MILLION. MINORITIES, ESPECIALLY BLACK AMERICANS AND HISPANICS, DOMINATE THIS POOL OF UNWANTED AND INCREASINGLY UNUSED LABOR.

LAST MONTH THE JTPA ADVISORY COMMITTEE TO LABOR SECRETARY ELIZABETH DOLE PRESENTED ITS REPORT "WORKING CAPITAL: JTPA INVESTMENTS FOR THE 90's" WITH RECOMMENDATIONS FOR IMPROVING JTPA. THE REPORT STATES THAT JTPA "NOW REACHES LESS THAN 5% OF THE ELIGIBLE POOR POPULATION." IT CONTINUES THAT WITH THE CHANGING DEMOGRAPHICS WE FACE WITH THE WORKFORCE 2000 WE CAN NO LONGER AFFORD TO IGNORE THOSE GROUPS THAT HAVE BEEN HISTORICALLY DISADVANTAGED. JTPA PROGRAMS MUST NARROW THEIR FOCUS ON POOR PERSONS WHO LACK THE BASIC SKILLS NECESSARY TO ENTER AND PERFORM WELL IN THE LABOR MARKET.

IN NUMEROUS SECTIONS OF S. 543 I HAVE ALSO EMPHASIZED THE NEED FOR EDUCATION AND BASIC SKILLS TRAINING. MANY PEOPLE HAVE QUESTIONED THIS EMPHASIS ON EDUCATION AS THE FOUNDATION FOR PROVIDING TRAINING AND EMPLOYMENT OPPORTUNITIES. **I FULLY RECOGNIZE THAT IT IS NOT THE RESPONSIBILITY OF THE JTPA PROGRAM TO EDUCATE OUR WORKFORCE** -- WE SPEND HUNDRED'S OF BILLIONS ON AN EDUCATION SYSTEM THAT IN MANY CASES, IS **FAILING**. WE ARE NOT ADDRESSING THE REFORM OF OUR EDUCATION SYSTEM IN S. 543, BUT WE MUST STILL ADDRESS THE PROBLEMS OF THE WORKFORCE. IT IS AN UNFORTUNATE NECESSITY, BUT IT IS ONE THAT THE JTPA PROGRAM CANNOT IGNORE. THIS ALSO MAKES COORDINATION AMONG PROGRAMS AND SERVICES ALL THE MORE CRITICAL.

I WANT TO WORK WITH EACH OF YOU ON THIS BILL AND I WANT TO DO WHAT IS RIGHT TO MAKE SURE WE ARE USING OUR SCARCE FEDERAL RESOURCES TO PROPERLY SERVE AND TARGET THE UNEMPLOYED POOR. UNEMPLOYMENT, IS AN EXPENSIVE ALTERNATIVE TO PROVIDING BASIC SKILLS, EDUCATION AND TRAINING FOR OUR NATION'S UNEMPLOYED YOUTH AND ADULTS. THE PENNSYLVANIA STATE UNIVERSITY HAS ESTIMATED THAT THE COST OF NOT EDUCATING AND TRAINING DISADVANTAGED YOUNG MEN AND WOMEN FOR EMPLOYMENT COSTS AMERICA $225 BILLION EACH YEAR -- IN LOST PRODUCTIVITY, IN WELFARE EXPENSES, CRIME PREVENTION AND FOR THE CRIMINAL JUSTICE SYSTEM. IN CONTRAST, WE SPEND LESS THAN $4 BILLION A YEAR ON ALL JTPA PROGRAMS.

IF WE WANT PEOPLE TO WORK, THEN WE MUST PROVIDE THE EDUCATION AND TRAINING THAT MAKES EMPLOYMENT AND A LIVING WAGE A REALITY IN THE LIVES OF ALL AMERICANS. WE MUST BUILD PRODUCTIVITY THROUGH EMPLOYMENT. FULL EMPLOYMENT WILL COME WHEN BASIC SKILLS EDUCATION AND TRAINING ARE AVAILABLE TO ALL. S. 543 MOVES US IN THAT DIRECTION.

I LOOK FORWARD TO HEARING THE TESTIMONY OF EACH OF OUR WITNESSES.

Senator SIMON. Our first panel is composed of Paul Mulcahey, the Chairman of the Rock Island Board. He has been Chairman some years now. How long?

Mr. MULCAHEY. Nine years.

Senator SIMON. Nine years. James Collins, the Director of Affirmative Action for Deere and Company, who is Chairman of the Private Industry Council of Rock Island, Henry and Mercer County. Elizabeth Bromley Barridge, who is the Marketing Employment Specialist from the Illinois Department of Rehabilitation Services, and a member of the PIC Council of this area. And Vincent Thomas, the Executive Director of Project NOW and a member of the PIC Council in this area.

First we will hear from the Chairman of the County Board.

Let me just add to all witnesses, we are under some time constraints. We will enter all statements in the records and my colleagues in the Senate and their staffs can look at those statements. But we would like to limit your formal remarks to five minutes and when we get to five minutes I will ask you to conclude so we can devote a little more time to questions here. Mr. Chairman?

STATEMENT OF PAUL E. MULCAHEY, CHAIRMAN, ROCK ISLAND COUNTY BOARD, ROCK ISLAND, IL; JAMES COLLINS, DIRECTOR, AFFIRMATIVE ACTION, DEERE & CO., CHAIRMAN, PRIVATE INDUSTRY COUNCIL OF ROCK ISLAND, HENRY AND MERCER COUNTY; ELIZABETH BROMLEY BARRIDGE, MARKETING EMPLOYMENT SPECIALIST, ILLINOIS DEPARTMENT OF REHABILITATION SERVICES, MEMBER, PIC OF ROCK ISLAND, HENRY AND MERCER COUNTY; VINCENT THOMAS, EXECUTIVE DIRECTOR, PROJECT NOW, MEMBER, PIC OF ROCK ISLAND, HENRY AND MERCER COUNTY

Mr. MULCAHEY. Thank you very much, Senator, and it is a pleasure and an honor to welcome you back to Rock Island County. We have been a friend for a good many years and it is always a pleasure to have you join with us. We spoke several years ago about your Jobs Bill and Welfare Form Bill right in this room.

We are pleased to be talking about the Senate Bill 543 of the Job Training Partnership Act, Youth Employment Amendments of 1989.

As Chairman of the Rock Island County Board and representing Rock Island County, grant recipient for JTPA programs in Rock Island, Henry and Mercer Counties, I join with the Private Industry Council in thanking you for honoring this SDA with this hearing today.

Before I comment on the bill, I would first like to commend you for this legislation and your willingness to hear concerns about how the changes will impact job training programs at the state and local levels. I am confident that final legislation will be adopted that will build upon the success already experienced in JTPA.

The bill proposes amendments to seek better target limited funds, establish broader representation of the Private Industry Council and create a new five year demonstration program to improve assistance for youths with severe barriers to employment. Major changes would be made in the distribution formula for adult and youth training programs, separate performance standards would be developed for hard-to-serve participants, and local areas would receive increased flexibility to combine all youth activities in one program.

I agree that more needs to be done to better serve those most in need. Teen parents, school dropouts, those who are deficient in reading and math skills, long term welfare clients and others with multiple barriers to employment must not be overlooked. Reductions in our population growth, changes in our national economy, and increasing global competition will demand a much more highly trained, highly skilled work force as we approach the year 2000. Even now as we speak we are facing a critical shortage of skilled workers in many areas. We must make every effort to train everyone to be a productive citizen.

County officials have long had a vital interest in helping the most needy in our communities to become self-sufficient. The JTPA Program offers us a unique opportunity to bring together those who need jobs with those who need trained workers. Under the current system, local elected officials and Private Industry Councils have the flexibility they need to design programs to train eligible clients for employment opportunities that exist in the local community. It is this partnership that has contributed much to the success of the JTPA program. This concept has worked very well in our three counties.

I have included for your information, the performance and results of the first five years of JTPA in SDA 13, as well as a report on the current program year. It is important to note that 7,771 persons have received services through our Title II-1 program since the inception of JTPA in 1983. This figure includes 4,251 females and 2,003 minority participants. A total of 2,490 of those persons have entered unsubsidized employment following JTPA participation, and 2,029 youth were positive terminations. I am proud of our results in SDA 13. I believe the JTPA system is doing what it was designed to do in this three-county area.

As I mentioned earlier, I agree with you that more can and should be done to help clients with multiple barriers to employment. While I support most aspects of the new bill, there are specific concerns on which I will now comment.

There is a need for increased funding for JTPA. Equitable funding must be provided to ensure access to services to eligible clients in urban, suburban and rural areas. I would urge the Subcommittee to recognize also the higher costs associated with training hard-to-serve clients. Since these clients have greater training needs, they usually require longer, more intensive training.

Composition of the PIC

I believe that the Private Industry Councils are working well under current law and that no changes are necessary. The proposed minimum percentages for labor and community based organizations and for public agencies, would take away local flexibility to appoint members to the PIC that reflect local community needs.

Performance Standards

We appreciate the proposed adjustments in the performance standards which recognize the difficulty in helping hard-to-serve clients to overcome multiple barriers to employment. We are, however, concerned about the already considerable requirements and demands upon SDA staff administratively, and would urge the Subcommittee to consider relief in this area in the new legislation. Distribution Formula

In principle I agree that the funds should be allocated to state and local areas on the basis of their share of the eligible population. Your proposal points out that while the programs are designed to serve economically disadvantaged individuals, two-thirds of the funds under the current formula are allocated to state and local areas on the basis of unemployment data, and only one-third is allocated on the basis of economically disadvantaged data. To address this problem, the Bill would significantly increase the amount of funds that would be allocated to areas based on economically disadvantaged data.

The problems in the distribution formula extend beyond the weighted factors which favor unemployment data. The economically disadvantaged data is based on 10 year old census information which does not reflect the current number of individuals residing in states and localities.

Before any changes are adopted in the distribution formula, a more accurate data base must be established that provides current data on eligible clients residing in all areas. Combined Youth Program

I support giving increased flexibility to local areas to combine all youth activities in one program. This will enable service delivery areas to address the needs of youths in a more comprehensive manner. We also support separate performance standards for in-school and out-of-school youths. In-school youths must be encouraged to improve their basic skills and complete school. Out-of-school youths need a wider range of services depending on their status (i.e., teen parents, lacking in reading and math skills, etc...). Therefore, they must be encouraged to make progressive steps towards employment. The proposed changes are steps in the right direction. Challenge Grants

We question the need for another demonstration program that would serve clients outside the existing delivery system. We feel that the additional funds called for in the Bill would be better used by increasing assistance for adults and youths in the existing programs. Furthermore, the matching 50 percent requirement has not proven to be an effective approach for increasing available assistance. The new five year demonstration program would also open the door to duplication since funds could be distributed to a wide variety of agencies outside of the existing service delivery system.

In closing, I again thank you for the opportunity to address this hearing. As noted earlier, I have enclosed information relative to the first five and one-half years of JTPA in our SDA, years of steadily improving services to eligible residents in this area. I believe the JTPA system has established a successful track record which can only benefit from a fine tuning to better serve the most needy in our communities.

[The prepared statement of Mr. Mulcahey with an attachment follows:]

Rock Island County, Illinois

County Office Building • Rock Island, Illinois 61201 • (309) 786-4451

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STATEMENT OF

THE HONORABLE PAUL E. MULCAHEY

CHAIRMAN

ROCK ISLAND COUNTY BOARD

ROCK ISLAND, ILLINOIS

ON BEHALF OF THE

CHIEF ELECTED OFFICIALS OF ROCK ISLAND, HENRY
AND MERCER COUNTIES

BEFORE HEARING OF

UNITED STATES SENATE SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY

ON THE

JOB TRAINING PARTNERSHIP ACT YOUTH EMPLOYMENT AMENDMENTS OF 1989

APRIL 24, 1989
BLACK HAWK COLLEGE
MOLINE, ILLINOIS

To the Honorable Senator Paul Simon, to Subcommittee Staff, to other officials and friends, I am pleased and honored for the opportunity to comment before this Hearing on S.543, "Job Training Partnership Act JTPA Youth Employment Amendments of 1989."

As Chairman of the Rock Island County Board, and representing Rock Island County, Grant Recipient for JTPA Programs in Rock Island, Henry, and Mercer Counties, I join with the Private Industry Council in thanking you for honoring this SDA with this Hearing today.

Before I comment on the Bill, I would first like to commend you for this legislation and your willingness to hear concerns about how the changes will impact job training programs at the state and local levels. I am confident that final legislation will be adopted that will build upon the successes already experienced in JTPA.

The proposed amendments seek to better target limited funds, establish broader representation on the Private Industry Council and create a new five-year demonstration program to improve assistance for youths with severe barriers to employment. Major changes would be made in the distribution formula for adult and youth training programs, separate performance standards would be developed for hard-to-serve participants, and local areas would receive increased flexibility to combine all youth activities in one program.

I agree that more needs to be done to better serve those most in need. Teen parents, school dropouts, those who are deficient in reading and math skills, long-term welfare clients and others with multiple barriers to employment must not be overlooked. Reductions in our population growth, changes in our national economy and increasing global competition will demand a much more highly trained, highly skilled work force as we approach the year 2000. Even now as we speak, we are facing a critical shortage of skilled workers in many areas. We must make every effort to train everyone to be productive citizens.

County officials have long had a vital interest in helping the most needy in our communities to become self-sufficient. The JTPA program offers us a unique opportunity to bring together those who need jobs with those who need trained workers. Under the current system, local elected officials and private industry councils have the flexibility they need to design programs to train eligible clients for employment opportunities that exist in the local community. It is this partnership that has contributed much to the success of the JTPA program. This concept has worked very well in Rock Island, Henry, and Mercer Counties.

I have included for your information, the performance and results of the first five years of JTPA in SDA#13, as well as a report on the current program year. It is important to note that 7,771 persons have received services through our Title II-A program since the inception of JTPA in 1983. This figure includes 4,251 females and 2,003 minority participants. A total of 2,490 of those persons have entered unsubsidized employment following JTPA participation (adults and youth), and 2,029 youth were positive terminations. I am proud of our results in SDA#13. I believe the JTPA system is doing what it was designed to do.

As mentioned earlier, I agree with you that more can and should be done to help clients with multiple barriers to employment. While I support most aspects of the new Bill, there are certain specific concerns on which I will now comment.

Funding

There is a need for increased funding for JTPA. Equitable funding must be provided to ensure access to services to eligible clients in urban, suburban and rural areas. I would urge the Subcommittee to recognize also the higher costs associated with training hard-to-serve clients. Since these clients have greater training needs, they usually require longer, more intensive training.

Composition of the PIC

I believe that the Private Industry Councils are working well under current law and that no changes are necessary. The proposed minimum percentages for labor and community based organizations and for public agencies, would take away local flexibility to appoint members to the PIC that reflect local community needs.

Performance Standards

We appreciate the proposed adjustments in the performance standards which recognize the difficulty in helping hard-to-serve clients to overcome multiple barriers to employment. We are, however, concerned about the already considerable requirements and demands upon SDA staff administratively, and would urge the Subcommittee to consider relief in this area in the new legislation.

Distribution Formula

In principle I agree that funds should be allocated to state and local areas on the basis of their share of the eligible population. Your proposal points out that while the programs are designed to serve economically disadvantaged individuals, two-thirds of the funds under the current formula are allocated to state and local areas on the basis of unemployment data, and only one-third is allocated on the basis of economically disadvantaged data. To address this problem, the Bill would significantly increase the amount of funds that would be allocated to areas based on economically disadvantaged data.

THE PROBLEMS IN THE DISTRIBUTION FORMULA EXTEND BEYOND THE WEIGHTED FACTORS WHICH FAVOR UNEMPLOYMENT DATA. THE ECONOMICALLY DISADVANTAGED DATA IS BASED ON 10-YEAR OLD CENSUS INFORMATION WHICH DOES NOT REFLECT THE CURRENT NUMBER OF INDIVIDUALS RESIDING IN STATES AND LOCALITIES.

BEFORE ANY CHANGES ARE ADOPTED IN THE DISTRIBUTION FORMULA, A MORE ACCURATE DATA BASE MUST BE ESTABLISHED THAT PROVIDES CURRENT DATA ON ELIGIBLE CLIENTS RESIDING IN ALL AREAS.

COMBINED YOUTH PROGRAM

I SUPPORT GIVING INCREASED FLEXIBILITY TO LOCAL AREAS TO COMBINE ALL YOUTH ACTIVITIES IN ONE PROGRAM. THIS WILL ENABLE SERVICE DELIVERY AREAS TO ADDRESS THE NEEDS OF YOUTHS IN A MORE COMPREHENSIVE MANNER. WE ALSO SUPPORT SEPARATE PERFORMANCE STANDARDS FOR IN-SCHOOL AND OUT-OF-SCHOOL YOUTHS. IN-SCHOOL YOUTHS MUST BE ENCOURAGED TO IMPROVE THEIR BASIC SKILLS AND COMPLETE SCHOOL. OUT-OF-SCHOOL YOUTHS NEED A WIDER RANGE OF SERVICES DEPENDING ON THEIR STATUS (i.e., TEEN PARENTS, LACKING IN READING AND MATH SKILLS, ETC...). THEREFORE, THEY MUST BE ENCOURAGED TO MAKE PROGRESSIVE STEPS TOWARDS EMPLOYMENT. THE PROPOSED CHANGES ARE STEPS IN THE RIGHT DIRECTION.

CHALLENGE GRANTS

WE QUESTION THE NEED FOR ANOTHER DEMONSTRATION PROGRAM THAT WOULD SERVE CLIENTS OUTSIDE THE EXISTING DELIVERY SYSTEM. WE FEEL THAT THE ADDITIONAL FUNDS CALLED FOR IN THE BILL COULD BE BETTER USED BY INCREASING ASSISTANCE FOR ADULTS AND YOUTHS IN THE EXISTING PROGRAMS. FURTHERMORE, THE MATCHING 50 PERCENT REQUIREMENT HAS NOT PROVEN TO BE AN EFFECTIVE APPROACH FOR INCREASING AVAILABLE ASSISTANCE. THE NEW FIVE-YEAR DEMONSTRATION PROGRAM WOULD ALSO OPEN THE DOOR TO DUPLICATION SINCE FUNDS COULD BE DISTRIBUTED TO A WIDE VARIETY OF

OF AGENCIES OUTSIDE OF THE EXISTING SERVICE DELIVERY SYSTEM.

IN CLOSING, I AGAIN THANK YOU FOR THE OPPORTUNITY TO ADDRESS THIS HEARING. AS NOTED EARLIER, I HAVE ENCLOSED INFORMATION RELATIVE TO THE FIRST FIVE AND ONE-HALF YEARS OF JTPA IN OUR SDA, YEARS OF STEADILY IMPROVING SERVICES TO ELIGIBLE RESIDENTS IN THIS AREA. I BELIEVE THE JTPA SYSTEM HAS ESTABLISHED A SUCCESSFUL TRACK RECORD WHICH CAN ONLY BENEFIT FROM A FINE-TUNING TO BETTER SERVE THE MOST NEEDY IN OUR COMMUNITIES.

THANK YOU.

PAUL E. MULCAHEY
CHAIRMAN
ROCK ISLAND COUNTY BOARD

SERVICE DELIVERY AREA 13

Service Delivery Area 13 serves the counties of Henry, Mercer, and Rock Island. The Job Training Partnership Act Program is administered by the following entities in SDA 13.

Title II:	Title III:
Rock Island Tri-County Consortium 1504 Third Avenue Rock Island, Illinois 61201	Black Hawk College 6600 34th Avenue Moline, Illinois 61265

Title II of the Job Training Partnership Act (JTPA) is designed to prepare income eligible youth and adults for employment. The Title IIA year-round program provides a wide range of training activities which include, but are not limited to, on-the-job training; institutional and classroom training; remedial education and basic skills training; job placement; job search assistance and counseling; and, at local option, exemplary youth programs. Following is the actual performance for the program year that just ended as well as historical performance data since the inception of the Job Training Partnership Act.

Title 2A	Actual Performance (7/1/87 - 6/30/88)	SDA Performance Since Inception of JTPA
Expenditures	$2,328,066	$11,299,060
No. of Individuals Served	1,331	6,978
Women Served	735	3,581
Blacks Served	223	1,388
Hispanics Served	55	346
No. Entered Employment	494	2,123
No. Youth Positive Terminations	419	1,768

The passage of the Job Training Partnership Act marks the first time in the history of employment and training programs that success is measured by manditory performance outcomes. Performance standards for Title IIA are developed at the national level and modified to meet local conditions. Failure to meet the standards overall may lead to sanctions against an SDA. Exceeding the standards results in incentive bonus funds being awarded to an SDA. Performance outcomes for Title IIA for the program year that just ended are as follow:

	Program Year 1987 (7/1/87 - 6/30/88)
Adult Entered Employment Rate	78.5% (exceeded standard)
Adult Cost Per Entered Employment	$3,881.13 (exceeded standard)
Adult Average Wage at Placement	$5.35 (exceeded standard)
Adult Welfare Recipient Entered Employment Rate	71.1% (exceeded standard)
Youth Entered Employment Rate	27.6% (exceeded standard)
Youth Positive Termination Rate	80.9% (exceeded standard)
Youth Cost Per Positive Termination	$2,304.99 (exceeded standard)

In addition to the ongoing Title IIA program, efforts to address the employment and training needs of youth are augmented through the Title IIB summer program. This program is for income eligible youth, ages 14 to 21. Services provided include basic education, work experience, on-the-job training, and job search assistance.

Title IIB	Actual Performance (10/1/86 - 9/30/87)	SDA Performance Since Inception of JTPA
Expenditures	$895,813	$3,950,358
Individuals Served	537	2,341
No. of Women Served	205	959
No. of Blacks Served	164	827
No. of Hispanics Served	47	142

The Older Individuals Program (Title 180) is for economically disadvantaged individuals who are 55 years of age or older. The following reflects recent performance for the program year that just ended as well as historical performance data since the inception of the JTPA program.

Title 180	Actual Performance (7/1/87 - 6/30/88)	Actual Performance Inception of JTPA
Expenditures	$76,180	$346,387
Individuals Served	52	355
No. Entered Employment	17	123

Title III of the Job Training Partnership Act is designed to assist workers who are dislocated due to plant or facility closings, layoffs, or technological changes in their occupation or industry. Comprehensive training and services available to dislocated workers include, but are not limited to, counseling, assessment, on-the-job training, institutional and classroom training, pre-layoff assistance, job search assistance, and relocation assistance. The following reflects performance for the year that just ended as well as historical performance data since the inception of the JTPA program.

Title III	Actual Performance (7/1/87 - 6/30/88)	Title III Performance Since Inception of JTPA
Expenditures	$535,959	$2,691,144
Individuals Served	718	4,317
No. Entered Employment	364	2,111
Average Wage at Placement	$7.37	$7.34

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HD4.P9010-01                 ILLINOIS DEPARTMENT OF COMMERCE AND COMMUNITY AFFAIRS                         PAGE: 1
                                    JTPA MANAGEMENT INFORMATION SYSTEM                            RUN DATE: [illegible]
LEVEL: 21000 ROCK ISLAND TRI-COUNTY CONSORT TIME: 08:24:17
ON-LINE SUMMARIZATION REPORT

PARTICIPANT DATA REPORT PERIOD FROM 07/01/88 TO 04/30/89
                         PLAN DATA REPORT PERIOD          FROM 07/01/88 TO 06/30/89
EXPENDITURE DATA REPORT PERIOD FROM 07/01/88 TO 06/30/89

                     TITLE: 2A __  PROGRAM YEAR: 88   QUARTER: 4    MONTH: 04   PLAN/ACTUAL: A
      DATA UPDATED   PLAN: 10/25/88   ACTUAL: 04/14/89   EXPENDITURE PLAN: 10/25/88   EXPENDITURE ACTUAL [illegible]

------------------------------------------- PERFORMANCE STANDARDS -------------------------------------------

                                          . . . MODEL ADJUSTED VALUES . . . .      PERFORMANCE      PERCENT
PERFORMANCE MEASURE                       LOWER BAND   STANDARD   UPPER BAND         OUTCOME        VARIANCE      ASSESSMENT

      ADULT:
ENTERED EMPLOYMENT RATE                      62.9         65.3        67.7             86.0           31.7       EXCEEDED
COST/ENTERED EMPLOYMENT                   $3908.34     $4363.34    $4818.34         $3805.56        -12.8       EXCEEDED
AVERAGE WAGE AT PLACEMENT                    $4.66        $4.80       $4.94            $5.17          7.7       EXCEEDED
WELFARE ENTERED EMPLOYMENT RATE              51.4         55.5        59.6             80.5          45.0       EXCEEDED
      YOUTH:
ENTERED EMPLOYMENT RATE                       0.4          2.3         5.1             32.1         *****      EXCEEDED
POSITIVE TERMINATION RATE                    79.7         82.0        84.2             81.3          -0.9       MET
COST/POSITIVE TERMINATION                 $4460.81     $4760.81    $5060.81         $2214.94        -53.5       EXCEEDED
EMPLOYABILITY ENHANCEMENT RATE               33.6         39.2        44.8             61.7          57.4       EXCEEDED
      FOLLOW-UP:
EMPLOYMENT RATE                              51.0         55.2        59.4             74.8    *     35.5       EXCEEDED
AVERAGE WEEKS WORKED                          6.9          7.4         7.9             10.3    *     39.2       EXCEEDED
AVERAGE WEEKLY EARNINGS                    $147.50      $161.50     $175.50          $207.18    *     28.3       EXCEEDED
WELFARE EMPLOYMENT RATE                      43.0         48.1        53.2             74.3    *     54.5       EXCEEDED

MEETING STANDARDS: YES
*  OUTCOME REFLECTS NONRESPONSE BIAS ADJUSTMENT
------------------------------------------- EXPENDITURES ANALYSIS -------------------------------------------

                        PLANNED          PLANNED          ACTUAL            ACTUAL       PERCENT    PERCENT GREATER
                      EXPENDITURES       PERCENT       EXPENDITURES         PERCENT      OF PLAN       THAN 15%
ADMINISTRATION
  2A YOUTH              $112,792            5.0         $116,739.23            7.4        103.5
  2A ADULT              $225,228           10.1         $202,110.64           12.8         89.7
  TOTAL                 $338,020           15.1         $318,849.87           20.2         94.3
TRAINING
  2A YOUTH              $506,923           22.7         $392,448.48           24.9         77.4          UNDER
  2A ADULT            $1,041,146           46.5         $666,072.79           42.2         64.0          UNDER
  TOTAL               $1,548,069           69.2       $1,058,521.27           67.0         68.4          UNDER
PARTICIPANT SUPPORT
  2A YOUTH              $126,881            5.7          $68,911.48            4.4         54.3          UNDER
  2A ADULT              $224,468           10.0         $132,679.72            8.4         59.1          UNDER
  TOTAL                 $351,349           15.7         $201,591.20           12.8         57.4          UNDER
GRAND TOTAL
  2A YOUTH              $746,596           33.4         $578,099.19           36.6         77.4          UNDER
  2A ADULT            $1,490,842           66.6       $1,000,863.15           63.4         67.1          UNDER
  TOTAL               $2,237,438          100.0       $1,578,962.34          100.0         70.6          UNDER
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[illegible] ILLINOIS DEPARTMENT OF COMMERCE AND COMMUNITY AFFAIRS PAGE: 2
JTPA MANAGEMENT INFORMATION SYSTEM RUN DATE: 04/1[illegible]
TIME: 08:24:19
ON-LINE SUMMARIZATION REPORT

SDA/DWC: S13000 TITLE: 2A PROGRAM YEAR: 88 QUARTER: 4 MONTH: 04 PLAN/ACTUAL: A

ENROLLMENT TERMINATION SUMMARY

PERCENT

	ADULT		YOUTH		TOTAL		PERCENT OF PLAN	GREATER THAN 15%
	PLANNED	ACTUAL	PLANNED	ACTUAL	PLANNED	ACTUAL		
TOTAL PARTICIPANTS	650	580	600	579	1250	1159	92.7	
NEW PARTICIPANTS	426	356	458	437	884	793	89.7	
PARTICIPANTS CARRIED OVER	224	224	142	142	366	366	100.0	
TRANSFERS FROM OTHER TITLES	0	0	0	0	0	0	N/A	
TOTAL TERMINATIONS	450	306	480	321	930	627	67.4	UNDER
ENTERED UNSUBSIDIZED EMPLOYMENT	350	263	58	104	408	367	90.0	
YOUTH EMPLOYABILITY ENHANCEMENTS			321	198	321	198	61.7	UNDER
ENTERED OTHER TRAINING			5	1	5	1	20.0	UNDER
RETURNED TO FULL-TIME SCHOOL			5	0	5	0	0.0	UNDER
AGE 14-15 COMPLETED PGM OBJECTIVES			60	75	60	75	125.0	
COMPLETED MAJOR LEVEL OF EDUCATION			10	15	10	15	150.0	
ATTAINED YOUTH COMPETENCY			241	107	241	107	44.4	UNDER
YOUTH POSITIVE TERMINATIONS			379	261	379	261	68.9	UNDER
CONTINUED IN FULL-TIME SCHOOL	0	1	5	1	5	2	40.0	UNDER
OTHER TERMINATIONS	0	42	96	59	196	101	51.5	UNDER
TRANSFER TO OTHER TITLE	0	0	0	0	0	0	N/A	
TOTAL CURRENT PARTICIPANTS	200	274	120	258	320	532	166.3	

SUBSTANTIAL SEGMENTS SUMMARY

	QUARTER PLAN	ANNUAL PLAN	ANNUAL PLANNED PERCENT	ACTUAL ENROLLED	ACTUAL PERCENT	PERCENT VARIANCE	VARIANCE GREATER THAN 15%
FEMALES	709	709	56.7	670	57.8	1.9	
YOUTH	600	600	48.0	579	50.0	4.2	
OLDER INDIVIDUALS	0	0	0.0	3	0.3	N/A	
BLACKS	276	276	22.1	193	16.7	-24.4	UNDER
HISPANICS	64	64	5.1	64	5.5	7.8	
OTHER MINORITIES	22	22	1.8	12	1.0	-44.4	UNDER
HANDICAPPED	125	125	10.0	226	19.5	95.0	
DROPOUTS	300	300	24.0	230	19.8	-17.5	UNDER
WIN REGISTRANTS	211	211	16.9	413	35.6	110.7	

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DOLBDR10-01                 ILLINOIS DEPARTMENT OF COMMERCE AND COMMUNITY AFFAIRS                       PAGE: 3
TIME 09:24:50                        JTPA MANAGEMENT INFORMATION SYSTEM                           RUN DATE: 01/17/89
ON LINE SUMMARIZATION REPORT

          SDA/DWC: S13000     TITLE: 2A     PROGRAM YEAR: 88     QUARTER: 4     MONTH: 04     PLAN/ACTUAL 6
----------------------------------------- PERFORMANCE MEASURES ------------------------------------------

                                              PLANNED            ACTUAL          PERCENT        VARIANCE GREATER
                                                                                 VARIANCE          THAN 15%
COST PER PARTICIPANT                         $1789.95          $1362.35           -23.9
  ADULT                                      $2293.60          $1725.63           -24.8
  YOUTH                                      $1244.33           $998.44           -19.8
ENTERED EMPLOYMENT RATE                          43.9              58.5            33.3
  ADULT                                          77.8              85.9            10.4
  YOUTH                                          12.1              32.4           167.8
COST PER ENTERED EMPLOYMENT                  $5483.92          $4302.35           -21.5
  ADULT                                      $4259.55          $3805.56           -10.7
  YOUTH                                         *****          $5558.65
AVERAGE WAGE AT PLACEMENT                      $04.70            $04.93             4.9
  ADULT                                        $04.92            $05.17             5.1
  YOUTH                                        $03.35            $04.31            28.7
YTH POSITIVE TERMINATION RATE                    79.0              81.3             2.9
YTH COST PER POSITIVE TERMINATION            $1969.91          $2214.94            12.4

  ERROR ==> PLAN COST PER CALCULATION RESULTED IN OVERFLOW CONDITION - SEE ****

------------------------------------------- ACTIVITY ANALYSIS -------------------------------------------

                                                                     PERCENT      PERCENT GREATER
                                              PLANNED      ACTUAL    OF PLAN         THAN 15%
ACADEMIC TRAINING                               200          171       85.5
REMEDIAL EDUCATION                                0          171        N/A
VOCATIONAL TRAINING                             336          334       99.4
VOCATIONAL EXPLORATION                            0            0        N/A
PRIVATE SECTOR ON-THE-JOB TRAINING              256          239       93.4
PUBLIC SECTOR ON-THE-JOB TRAINING                87           11       12.6           UNDER
LIMITED WORK EXPERIENCE                          20           12       60.0           UNDER
REGULAR WORK EXPERIENCE                           0            0        N/A
EXEMPLARY YOUTH                                 490          348       71.0           UNDER
EDUCATION FOR EMPLOYMENT                          0            0        N/A
PRE-EMPLOYMENT SKILLS TRAINING                  460          343       74.6           UNDER
SCHOOL TO WORK TRANSITION                         0            0        N/A
TRY OUT EMPLOYMENT                               30            5       16.7           UNDER
OTHER ENTRY EMPLOYMENT EXPERIENCE                 0            0        N/A
SERVICES ONLY                                   150          128       85.3
EMPLOYMENT AND TRAINING SERVICES                450          471      101.7
NEEDS BASED PAYMENTS                            320          504      157.5           OVER
OTHER                                            30            0        0.0           UNDER
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HD4JDR10-01 ILLINOIS DEPARTMENT OF COMMERCE AND COMMUNITY AFFAIRS PAGE: 4
JTPA MANAGEMENT INFORMATION SYSTEM RUN DATE: 04/17/89
TIME: 08:25:26
ON-LINE SUMMARIZATION REPORT

SDA/DWC: S13000 TITLE: 2A PROGRAM YEAR: 88 QUARTER: 4 MONTH: 04 PLAN/ACTUAL: A

TARGETED POPULATION SUMMARY

ADULT

		APPLICANTS		PARTICIPANTS		TERMINEES		ENTERED EMPLOYMENT		POSITIVE TERMINATIONS	
TOTAL		2054		1159		627		367		261	
SEX	MALE	873	42.5	489	42.2	281	44.8	150	40.9	130	49.8
	FEMALE	1181	57.5	670	57.8	346	55.2	217	59.1	131	50.2
AGE	14-15	270	13.1	181	15.6	109	17.4	1	0.3	80	30.7
	16-21	745	36.3	398	34.3	212	33.8	103	28.1	181	69.3
	22-54	972	47.3	577	49.8	304	48.5	262	71.4	0	0.0
	55 AND OVER	67	3.3	3	0.3	2	0.3	1	0.3	0	0.0
RACE	WHITE	1503	73.2	890	76.8	480	76.6	308	83.9	179	68.6
	BLACK	429	20.9	193	16.7	108	17.2	41	11.2	65	24.9
	HISPANIC	100	4.9	64	5.5	33	5.3	16	4.4	13	5.0
	AM. INDIAN/ALASKAN NATIVE	7	0.3	4	0.3	3	0.5	1	0.3	1	0.4
	ASIAN/PACIFIC ISLANDER	15	0.7	8	0.7	3	0.5	1	0.3	3	1.1
DROPOUT		400	19.5	230	19.8	126	20.1	66	18.0	55	21.1
STUDENT		597	29.1	324	28.0	179	28.5	25	6.8	137	52.5
HIGH SCHOOL GRADUATE		531	25.9	293	25.3	160	25.5	132	36.0	44	16.9
POST HIGH SCHOOL ATTENDEE		526	25.6	312	26.9	162	25.8	144	39.2	25	9.6
AFDC RECIPIENT		797	38.8	451	38.9	218	34.8	112	30.5	77	29.5
WIN REGISTRANT		730	35.5	413	35.6	194	30.9	105	28.6	62	23.8
UNEMPLOYED		1508	73.4	819	70.7	439	70.0	265	72.2	161	61.7
EMPLOYED		355	17.3	212	18.3	111	17.7	92	25.1	43	16.5
NOT IN LABOR FORCE		191	9.3	128	11.0	77	12.3	10	2.7	57	21.8
UI CLAIMANT		54	2.6	35	3.0	22	3.5	21	5.7	1	0.4
SINGLE HEAD OF HOUSEHOLD		524	25.5	295	25.5	139	22.2	104	28.3	22	8.4
LIMITED ENGLISH		14	0.7	10	0.9	4	0.6	2	0.5	2	0.8
DISPLACED HOMEMAKER		112	5.5	64	5.5	35	5.6	28	7.6	1	0.4
TEENAGE PARENT		82	4.0	44	3.8	24	3.8	9	2.5	17	6.5
HANDICAPPED		438	21.3	226	19.5	123	19.6	45	12.3	78	29.9
OLDER WORKER		65	3.2	3	0.3	2	0.3	1	0.3	0	0.0
VETERAN		106	5.2	49	4.2	30	4.8	27	7.4	1	0.4
OFFENDER		185	9.0	100	8.6	64	10.2	25	6.8	32	12.3
WELFARE RECIPIENT		905	44.1	497	42.9	243	38.8	127	34.6	88	33.7
FOOD STAMP RECIPIENT		1210	58.9	665	57.4	344	54.9	196	53.4	116	44.4
FOSTER CHILD		20	1.0	9	0.8	3	0.5	0	0.0	2	0.8
NON ECONOMICALLY DISADVANTAGED		2	0.1	2	0.2	2	0.3	0	0.0	1	0.4

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                                             JTPA MANAGEMENT INFORMATION SYSTEM                                RUN DATE: 01/17/89
 TIME : 08:26:03
 [illegible] SUMMARIZATION REPORT

                 SDA/DMC: 51000     TITLE: 2A     PROGRAM YEAR: 88    QUARTER: 4    MONTH: 04    PLAN/ACTUAL: A

 ------------------------------------------------ D O L FOLLOW-UP SUMMARY ------------------------------------------------
                                                  -------------ADULTS------------       ---------ADULT WELFARE----------
   FOLLOW-UP SUMMARY                              EMPLOYED   UNEMPLOYED                  EMPLOYED  UNEMPLOYED
                                                   AT TERM     AT TERM        TOTAL      AT TERM     AT TERM        TOTAL
 1.  ACTUAL TERMINEES:                                157          10           167           57          7           64
   (TERM DATES: 070188 - 013189)
 2.  SAMPLE SIZE:                                     237          46           283          120         38          158
 3.  TOTAL RESPONDENTS:                               167          28           195           86         24          110
 4.  RESPONSE RATE % :                               70.5        60.9          68.9         71.7       63.2         69.6
 5.  RESPONDENTS EMPLOYED:                            131           5           136           70          4           74
 6.  EMPLOYMENT RATE % :                             78.4        17.9          69.7         81.4       16.7         67.3
 6A. EMPLOYMENT RATE % (ADJ):                                                  74.8                                 74.3
 7.  AVG WKLY EARN-EMPL RESP:                     $207.17     $207.50       $207.18      $201.18    $205.10      $201.32
 7A. AVG EARN-EMP RESP (ADJ):                                               $207.18                              $201.31
 8.  AVG HRS WORKED-ALL RESP:                        10.8         2.3           9.5         11.2        1.7          9.2
 8A. AVG HRS-ALL RESP (ADJ):                                       -           10.3                                 10.2
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Senator SIMON. I thank you very, very much. I thank you for being here also.

Next, Mr. James Collins, Director of Affirmative Action at the Deere Company.

Mr. COLLINS. Senator, I am honored and pleased to have this opportunity to comment on Senate 543.

As Chair of the Private Industry Council, Service Delivery Area of 13, along with the other partners in Job Training, the Rock Island Tri-County Consortium and the Chief Elected Officers of Rock Island, Henry and Mercer Counties, we are honored that this hearing is being hosted in our SDA.

First, I wish to commend you and the co-sponsors of Senate 543 for the legislation and its call for refinements in the Act. Refinements to the Act should allow more benefit to program participants, employers, communities and the nation.

While JTPA remains a neophyte in terms of social service, economic programs, it has already proved successful in the accomplishments of many goals including increased participation in the private sector, higher placement rates and lower costs per placement. But as you noted in your introduction of the bill to the Senate, there is simply not enough, being done for enough, quick enough.

I applaud your recognition of the need for increased funding. However, even this amount of increase remains far too little when nationally we are now serving only some 4 to 6 percent of JTPA eligible persons. This country must finally place a higher priority and commitment on our most important, the human resource.

I agree in general with your program focus on youth. It is a fact that as youth overall become fewer in number, minor youth numbers disproportionately are growing. Minority youth, particularly black males, in alarming statistics are lacking in basic education, skills and any meaningful work experience. They would certainly fall into your category of "most in need" or the commonly referred to designation of "at risk". The irony is that without adequately and timely addressing this problem, we are placing the future work place, community and nation at risk.

However, we cannot develop an attitude of either or on this issue or to spite one for the other. Our nation's older population is growing, there remain large numbers of dislocated workers and others who would not fit the youth criteria but are unemployed or underemployed. Many in these groups would also fall into the category of "most needy".

I encourage your consideration of changing your age criteria in the adult program from 25 to 73—to 25 and above. I am not sure that your formula arrangement will significantly enhance programming, youth or adult. Our experience has been that we have had a great deal of difficulty in deciphering current formulas, particularly for forecasting.

Hopefully, as you have indicated in your legislation, any formula will provide for some continuity in an SDA year to year to avoid large fluctuations.

The formula hopefully, will be based on variables that could be updated on an annual basis as opposed to the census.

I feel strongly that the current guidelines on PIC composition should be maintained. While our PIC and SDA 13 composition is representative of your proposal, what is effective for us is not necessarily good for SDA's contiguous to us or in other parts of the country.

It is important for employers to address other employers acquainting them with JTPA.

It is important that growing numbers of employers, due to their new-found resource, are hiring JTPA participants not only subsidized but also unsubsidized.

Even though JTPA is a neophyte, I believe it is timely that we look at program modifications and innovations short of the radical, unless accompanied by a radical funding change. New programs such as your Fair Chance Program appear to have much merit as if given a fair chance. The caution here is that we not establish new advisory boards and oversight bodies, but place JTPA funded programs under the local PIC's. This will assure coordination, lessen or eliminate the potential of duplication and better utilize resources as the structure is already in place.

For standards, while we must have evaluative criteria to measure program progress, generating separate standards for "hard-to-serve" individuals and "all other individuals" will be very difficult with already strapped administrative personnel. Again, funding should be increased in this area so as not to negatively impact direct services for participants.

In closing, Senator, I again thank you for the opportunity to address this hearing. I wish to give you a copy of our last year's program annual report, a year our SDA exceeded all program standards; a copy of our current status where we currently excess all but one standard of which we are meeting; and a copy of the Illinois Joint Committee Report on Minority Student Achievement entitled "Our Future at Risk".[1]

We look forward to the opportunity to keep you updated on our program progress and we will closely monitor Senate 543.

[The prepared statement of Mr. Collins follows:]

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[1] The two articles refund to were retained in the files of the committee.

United States Senate Subcommittee on Employment and Productivity's Hearing on S.543, "Job Training Partnership Act Youth Employment Amendments of 1989"

Black Hawk College
Moline, Illinois
24 April 1989
1:30 p.m. - 3:30 p.m.

To the Honorable Senator Paul Simon, to Subcommittee Staff, to my colleagues in JTPA and friends, I'm honored and pleased to have this opportunity to comment on S.543, "Job Training Partnership Act Youth Employment Amendments of 1989".

As Chairperson, Private Industry Council, Service Delivery Area 13, along with the other Partners in Job Training, The Rock Island Tri-County Consortium and the Chief Elected Officers of Rock Island, Henry and Mercer Counties, we're honored that this hearing is being hosted in our SDA.

Senator Simon, I first wish to commend you and the co-sponsors of S.543 for the legislation and its call for refinements in the Act. Refinements to the Act should allow more benefit to program participants, employers, communities and the nation.

While JTPA remains a neophyte in terms of social service/economic programs, it has already proved successful in the accomplishments of many goals including increased participation in the private sector, higher placement rates and lower costs per placement. But as you noted in your introduction of the bill to the Senate, there is simply not enough, being done for enough, quick enough.

FUNDING: I applaud your recognition of the need for increased funding. However, even this amount of increase remains far too little when nationally we are now serving only some 4% to 6% of JTPA eligible persons. This country must finally place a higher priority and commitment on our most important resource: the human resource.

PROGRAMS: I agree in general with your program focus on youth. It is a fact that as youth overall becomes fewer in number, minority youth numbers disproportionately are growing. Minority youth, particularly black males, in alarming statistics are lacking in basic education, skills and any meaningful work experience; they certainly would fall into your category of "most in need" or the commonly referred to designation of "at risk". The irony is that without adequately and timely addressing this problem, we're placing the future work place, community and nation at risk.

However, we cannot develop an attitude of "either/or" on this issue or to "spite one for the other". Our nation's older population is growing, there remain large numbers of dislocated workers and others who would not fit the youth criteria but are unemployed or underemployed. Many in these groups would also fall into the category of "most needy".

Perhaps your formula for youth might have some favorable impact on programming, but some equity between programs must be had. Because of the tragically low overall participant rate, the key again is significantly increased funds.

I encourage your consideration of changing your age criteria in the adult program from 25 to 73 - to 25 and above. This is consistent then on the upper end with federal nondiscrimination language. In our own SDA, we recently termed an 81-year-old man to employment in the fast-food industry.

FORMULA: I'm not sure that your formula arrangement will significantly enhance programming -- youth or adult. Our experience has been that we've had a great deal of difficulty in deciphering current formulas, particularly for forecasting.

Hopefully any formula will provide for some continuity to an SDA year to year to avoid large fluctuations.

The formula should be based on variables that could be updated on an annual basis as opposed to census. Our SDA experienced a disaster between 1980 and the mid-80's as we suffered an "over night" significant rise in unemployment. The formula utilizing the 1980 census figures further hurt and disadvantaged our people.

PIC COMPOSITION: I feel strongly that the current guidelines on PIC composition should be maintained. While our PIC composition is representative of your proposal, what is effective for us is not necessarily good for SDA's contiguous to us or in other parts of the country.

The local SDA's know best or will learn what best serves their communities.

It's important for employers to address other employers acquainting them with JTPA.

It's important that growing numbers of employers, due to their new-found resource, are hiring JTPA participants not only subsidized but also unsubsidized.

It's important that employers and participants alike are pleased that the participants are prepared and already enjoy the success of a program completion.

NEW PROGRAMS: Even though JTPA is a neophyte, I believe it is timely that we look at program modifications and innovations, short of the radical, unless accompanied by a radical funding change. New programs such as your Fair Chance Program appear to have much merit if given a fair chance. The caution here is that we not establish new advisory boards and oversight bodies but place JTPA-funded programs under the local PIC's. This will assure coordination, lessen or eliminate the potential of duplication and better utilize resources as the structure is already in place.

STANDARDS: While we must have evaluative criteria to measure program progress, generating separate standards for "hard-to-serve" individuals and "all other individuals" will be very difficult with already strapped administrative personnel. Again, funding should be increased in this area so as not to negatively impact direct services for participants.

In closing, I again thank you for the opportunity to address this hearing. I wish to give you a copy of our last program year's annual report -- a year our SDA exceeded all program standards; a copy of our current status where we currently exceed all but one standard -- of which we are meeting; and a copy of the Illinois Joint Committee Report on Minority Student Achievement, "Our Future at Risk".

We look forward to the opportunity to keep you updated on our program progress and we will closely monitor S.543.

Thank you.

James H. Collins
Chair
Private Industry Council
SDA13
Rock Island, Henry and Mercer
 Counties in Illinois

Senator SIMON. Thank you very much. Incidentally, what we are going to do is we are going to go through testimony here and other testimony we have had, we are just going to go through it all and we will say this is a good idea, this is not a good idea. We will be monitoring this very, very carefully and we appreciate your specific suggestions.

Elizabeth Bromley Barridge, very pleased to have you here.

Ms. BARRIDGE. Thank you, Senator. We welcome this opportunity to speak out on behalf of person's with disabilities.

I am a Marketing and Employment Specialist with the Illinois Department of Rehabilitation Services in Rock Island. Our agency does serve Rock Island, Henry and Mercer Counties in Illinois, and I am currently serving on the Private Industry Council for SDA 13. We have had representation on the PIC since its inception.

You are already well-aware of the 66 percent unemployment rate for citizens with disabilities in this state and in this country. For persons who are both minority and disabled the statistic is even more appalling. As an agency with funding limitations, we are under an order of selection mandate to serve the most severely disabled in Illinois. Many of our clients are, therefore, multiply disabled individuals who are more challenging to place into competitive employment. Additional time, effort and money is often required to adequately serve those who seek our assistance.

It becomes critical for our counselors to tap into all existing community resources for the vocational training, education or job preparation classes needed to successfully place an individual into meaningful employment. For those determined non-severely disabled by our agency's standards, and yet financially eligible for services, it is even more important to know that there is financial assistance for vocational training available through resources such as JTPA.

Over the past five years JTPA in SDA 13 has evolved into an agency more responsive to the needs of people with disabilities and has designated "the handicapped" as a targeted population which must receive 10 percent of the dollars and services available through Title II-A. To date in this current fiscal year, JTPA has provided assistance to twice that number (19.7 percent) or 221 people instead of the 125 planned for.

In addition, youth in our tri-county area are well-served by JTPA. Our 12 school districts which have secondary transitional employment programs for special need students all have BEST (Before Employment Skills Training) funded by JTPA built into their special education curricula. As of this month Job Seeking Skills Competencies will also be available to special needs youth. Between 75 and 100 special education students have been referred to the Summer Youth Employment Program and it is my understanding that 12 developmentally disabled youth, ages 14 through 21, will be enrolled in a special project for summer youth at the Association for Retarded Citizens of Henry and Stark Counties. Another 30 to 40 special education students have been referred to the regular summer youth program in Henry County.

During the regular school year, JTPA has written numerous OJT's for special education youth. They have taken part in the annual Community Agency Night, and they are part of a transition team which produced an excellent resource handbook and a video tape for employers, service providers, educators and the parents of special needs children. That team is now seeking funding for addressing the problem of transportation for people who are disabled or disadvantaged and living in the rural areas where employment opportunities are scarce.

JTPA in SDA 13 is an active participant in the JOBS NOW Network, which is an employment referral and job placement network for persons with disabilities. They are a member of the Quad City Merit Employment Council and will be involved in the Illinois Rehabilitation Association's Conference to be held in the Quad Cities in May.

Senator Simon, if additional dollars were given to JTPA and if dollars were not so tied to outcomes, more successful, more accessible training programs for the truly hard to serve or hardcore unemployed could be devised. Persons with severe disabilities, for instance, could benefit from extended individualized or multiple training opportunities; from the provision of job coaches, interpreters, braille information and other special accommodations; and from trial work periods or on-the-job evaluations. With additional money more effective outreach, recruiting and marketing could occur so that those who really need assistant accessing the employment arena could be located and made aware of available resources.

In our community we are already experiencing difficulty in filling job openings with qualified people, and yet we have hundreds of unemployed people. Meaningful job training must become a priority in our country. Your efforts to this end are greatly appreciated.

Senator SIMON. Thank you very, very much. And finally on this panel, Vincent Thomas. Glad to have you with us once again, Mr. Thomas.

Mr. THOMAS. Senator Simon, I wish to thank you and your staff for giving me the opportunity to participate in this hearing, and I hope that my remarks will be helpful and relevant.

During the past few days I have been able to speak with several persons who are in some way involved in JTPA programs on both sides of the river. You will be pleased to know that all of them have responded positively to the amendments you propose in Senate Bill 543. In my opinion, and based on my discussions, it is apparent your Bill gets to the heart of the matter.

The amendments you propose aim to strengthen and improve services to the "truly disadvantaged", the long term, hard core unemployed adults and youth who have never entered the labor market, and particularly those citizens who are Black, immigrant, Hispanic and Asian Americans, all of who are becoming the new entrants in the labor market.

The creation of separate funding formulas for Title II–A and II–B will provide a new consolidated year round program for at-risk youth who are in-school and out-of-school. This change will have a lasting impact on both the participants and the local economy. The deletion of the factors based on unemployment figures makes sound sense, especially in areas such as ours where large numbers of discouraged unemployed persons are not included in the unemployment statistics and data.

I note that both the National Alliance for Business and the Department of Labor's White Paper Advisory Committee have made similar recommendations to provide year round programs for at-risk, disadvantaged youth. In addition, Chairperson Marion Pines of the Advisory Committee states that JTPA programs need to be steered "more prescriptively as to clients and outcomes."

The proposed changes in performance standards will result in direct benefits to the participants. Evaluations should be based on the competency level the participants have attained rather than on the standards that measure the number of job placements program providers have achieved. Current performance standards contribute to "creaming" or "skimming" and leave others to a life of quiet desperation on a treadmill to nowhere. Community based organizations, such as ours, are currently ill-equipped to truly impact on the lives of those citizens who are left out or left over from programs that found them to be ineligible or unqualified for one reason or the other.

Lack of adequate funding for the JTPA programs as currently designed cause training programs to be shortened and placements to be of paramount importance in order to meet current performance standards. Senate Bill 543 proposed to eliminate this paradox by providing separate standards for hard to serve individuals and at-risk youth, and separate standards for in-school and out-of-school youth.

While the local Private Industry Council comes close to meeting the criteria and composition as proposed in Senate Bill 543, I agree that there should be an increase in the composition of representatives of organized labor and community based organizations and an increase of representatives of educational and public services agencies. Again, while local PIC comes close to meeting that criteria, it is essential that other SDA's also work closely with community based organizations and public service and educational agencies so that JTPA improves coordination and program implementation.

Finally, I am pleased to see your Fair Chance proposal will be allocated to states based on the relative proportion of the total youth, aged 16 to 24. As one program provided put it, "This is a crucial age group", and therefore, needs the special attention proposed under Senate Bill 543.

Senator Simon, there is one other point that was emphasized by the persons I have discussed your proposed Bill with, and that is, in order to implement these changes, it will take, as another provider said, "more than paper." There must be a new commitment by the SDA's to insure professional and specialized staff is available to work with the at-risk youth, hard core unemployed and "truly disadvantaged" adults, particularly those citizens who are Black, immigrant, Hispanic and Asian Americans.

Again, Senator, I with to thank you for this opportunity. Your Bill should be approved by Congress; it offers a challenge to local SDA's and, in your words, "hope to those who have given up." Thank you.

Senator SIMON. I thank all four of you. Every local PIC Council had the composition of your's. I would not be suggesting that we make changes. Unfortunately, that is not the case. You have done an unusually fine job in your area.

And, Mr. Chairman, if I can just add the importance of this when you mentioned here in your statement that 7,771 persons have received services through the funding in this area that is a pretty good impact in this particular area. The funding two or three of you have mentioned if you take inflation into account, in fact, funding has slipped about 22 percent since the program started.

Let me ask this of all four of you. Let me just add Senator Tom Harkin from across the river is one of the members of our Committee, and Lane Evans, Congressman from this area, has been very supportive of these kind of programs. If suddenly you are a member of this committee and you can write this legislation and do whatever you want, you cannot quite do that as a member of the committee, but assume that you could, what would you want to see done here?

Mr. MULCAHEY. The first thing I would do, Senator, would be to increase the 23 percent inflation fee, put that back into the appropriation bill.

Senator SIMON. The funding?

Mr. MULCAHEY. The funding, yes. That would only seem fair. There would not be any great gains there but at least we would be keeping up. You said, you mentioned that things hopefully are bottoming out here in the Quad Cities and in our Tri-County area, and things are getting better. But we are not out of the woods by any stretch of the imagination. There are still a lot of things to be done here, particularly with youth. Particularly with youth. And we could use the money because those recipients who are the hardest to train are the ones that the numbers seem to be multiplying the fastest.

Senator SIMON. Several of you mentioned this. One of the problems is we have been so eager to get results that we have, compared to the old CETA program for example, much higher percentage of high school graduates in the JTPA program. Those are people who many times would be getting employed otherwise.

Any other suggestions?

Mr. COLLINS. Senator, I think eager to get results is appropriate, but beyond that to have the receptivity on the part of the private sector who is going to be providing the jobs, and of course, someone is more marketable when they have already had a good solid work experience, if they have lost their employment through no fault of their own and now they have gone through a re-training process and then they go out, then that is the person that I, as an employer, wants to attract to my work place. And that point such as Vince has mentioned, is what happened to those folks back under the old OAO programs, the model city programs who were never ever a part of the mainstream and now their family is cycled around again. We cannot even begin to approach those folks and give them the type of long term training like Paul has mentioned here, that will allow them to be attractive too, if you will, to enter into the work place.

It all comes down to dollars and cents. And we just have to make some decisions, it seems to me, at the local and state and the federal levels, we have to look at our priorities and we have to think about tomorrow, and tomorrow when we talk about 2000 is almost literally tomorrow. And time is running out on us.

Senator **Simon**. The question really is as you say, a question of priorities. In your testimony, and also your testimony, Mr. Thomas, you mention problems of minorities. Eighteen percent of the work force today is composed of minorities. Eleven years from now it is going to be 29 percent. So it really is vital that we see that opportunities are there for everyone.

Any other suggestions?

Mr. **Thomas**. That was the—you just mentioned it. And I think that the realization that we are going to have a larger work force made up of minorities and Hispanics and Asian Americans, and I think that has not hit home very well. I think that has to be considered not only in the way the programs are designed, but as well as the staffing pattern and the support systems. And I think that, if in fact, as much as the legislation is written it is for the truly disadvantaged and hard core then that should be the priority and not the end result, and I think part of your performance standards point to that. That we should get credit for spending more time in training the hard to train and get credit for that.

Mr. **Mulcahey**. An interesting statistic, Senator, was recently one of our staff members was very active in the Literacy Council in the Tri-County area spoke to the class that I taught and gave a statistic that I was almost floored with. That by the year 2000 in this country 80 percent of all new employees, new workers, 80 percent of them will be women, Blacks, Hispanic or other immigrants, of the new people entering into the job force. Eighty percent will be women, Blacks, Hispanic and other immigrants. That is a pretty startling figure.

Senator **Simon**. No question. And all of these problems they are inter-dependent on other things you mentioned, literacy, obviously. Literacy is very much a part, not a part of this legislation but one of the things that we ought to be getting in.

Ms. Barridge, you also mentioned the statistics on those who are employable with disabilities. When you compound the problems that people face, for example, among those who are employable with disabilities who are Black, the unemployment rate today is about 82 percent. It is just staggering.

Ms. **Barridge**. I believe, Senator, that additional dollars are going to have to be spent on education and recruitment because if you are talking about hard to serve individuals I do not think you are going to have a lot of folks walking up to your door. I think there is going to have to be a tremendous change in outreach policy, and I think that is going to cost a lot of additional dollars.

Senator **Simon**. But they are dollars, all of you talk about additional dollars, they are dollars that are going to pay off. They are destinate dollars, not throw away dollars. We thank you very very much for your testimony, and much more than that for your leadership. I appreciate it.

Mr. Whetstone is the Deputy Director of Program Administration for the Department of Commerce and Community Affairs for the State of Illinois. And Blanche Shoup is the Executive Director of Carl Sandburg College, JTPA for this area. Very happy to have both of you here.

Mr. Whetstone, we will start with you.

STATEMENT OF DENNIS WHETSTONE, DEPUTY DIRECTOR, PROGRAM ADMINISTRATION, DEPARTMENT OF COMMERCE AND COMMUNITY AFFAIRS (DCCA), SPRINGFIELD, ILL; BLANCHE SHOUP, EXECUTIVE DIRECTOR, CARL SANDBURG COLLEGE JTPA, SERVICE DELIVERY AREA NO. 14, GALESBURG, IL

Mr. WHETSTONE. Thank you, Senator. I appreciate the opportunity to be able to present some comments from our Department's perspective on Senate Bill 543. We are the State Administrative Agency for JTPA in Illinois, so we have carefully reviewed your proposal. Because our testimony is only limited to 5 minutes we have taken the opportunity to provide some more detailed comments.

Senator SIMON. We will enter your full statement in the record.

Mr. WHETSTONE. There is an awful lot that we like about your Bill. But because of our limited testimony I would just like to highlight a few of our concerns.

Let me begin by saying that we are very pleased that the Bill that you have introduced addresses many of the critical areas we think we need to be addressed to make the program work better than it has and to improve the system without really disturbing what we think are still very valid underlying concepts that JTPA was built on.

The program has worked in Illinois particularly. We think it has succeed in its original mission, but this record of success around the country and particularly in this State does not preclude the need for fine tuning. And that is why we appreciate the attention that your Bill has done just that. Our primary concern with the Bill from the State perspective, since we are the State Administering Agency, is really the impact that the movement of youth programs from Title II-A to II-B has upon State administrative funds. We do not object to the concept of a separate and distinct youth title. We think there is an awful lot good to say about that. But at the State level States who are responsible for follow up and responsible for evaluating programs and policy development and monitoring and oversight and staffing coordination councils, we depend upon a 5 percent set aside of Title II-A to frankly pay for our costs. And removing 40 percent of that base, in essence, means that States, every State, will have 40 percent less dollars to do their job. And we do not think that with the increased responsibilities that States are expected to have your proposal, in addition to those that we are already carrying out, that a 40 percent cut in the funds that we have available to do our job and do it well is really tolerable. We do think there will be some inefficiencies and that performance around the State will suffer because of it.

We would definitely urge your consideration if we move Title—Youth Program in or Title II-A over to II-B to also allow States to share proportionately as it has in II-A with an administrative set aside under the year round youth title.

In regards to allocation formula. We really do appreciate the efforts you have made to seek out the allocation formula that is best going to serve the needs of the nation and Illinois. However, we have some concerns about the revision to the II-A allotment formula that would increase the weight of the economically disadvantage factor at the expense of unemployment factors. Not that it is not the right thing to do, but just from the perspective that the basis for economic disadvantaged data is currently the 1980 census. It is still outdated at this time that we just think it is totally inappropriate to increase its importance in driving dollars to states.

By the time that the 1990 census data are available it is already going to be three years old. So while we think that, I mean we just have serious reservations about its reliability over a long term period of time, and we hope some other data source could be found if economically disadvantaged criteria ought to be used, otherwise we have much, much more timely data and reliable data when we look at the updated reports that come out of the Bureau of Labor Statistics and unemployment factors that we think are at least proportionately and relatively more fair to Illinois and the mid-West in general.

When it comes to the proposal for the State Education Coordination and Grants Program, commonly known as the 8 percent program, it would become the 5 percent program under your proposal. It would be 5 percent of a smaller base after the youth dollars were moved over to II-B. We would oppose or we would prefer to see that that much of a change in funding not occur. In Illinois, unlike some of the other states, we really tried to undertake some very innovative and demonstration based programs. It is the only place in JTPA where we have been able to try some things and try to marry up education with the ongoing locally delivered job training programs and with direct private sector input. And it really has worked. There are several initiative that have come about, been institutionalized in this state because pilot programs have occurred on a demonstration basis under the state education 8 percent program. And so we hope that you would at least deem it appropriate to reconsider about that drastic of a cut.

In Illinois, under the new amendment, it would go from $8 million down to less than $3 million because of the reduced space and also the reduced percentage set aside.

Some positive notes because there are some things we like. We strongly support the implementation of performance measures that are related to earnings, gains and long term retention and employment because those are the two key measures that, you know, you can argue about statistics, many other areas, but those two tell the story. We do support the implementation of performance measures—I am sorry. We would suggest that the time period for those retention measures be standardized for both sanctions and incentive awards. Currently one is six months and nine months in the Bill. We think it would be more appropriate for sanctions and incentives if we looked at the same time period when it comes time to decide whether to punish or reward.

Senator SIMON. And I ask you to conclude here now.

Mr. WHETSTONE. We also applaud the continuation of your private sector majority on local private industry councils. We think that is appropriate with the intent of JTPA. We do support the greater presence of organized labor and community based organizations. And one final note is, we would also think it would be time to have public assistance agencies there, particularly with the advent of all the new welfare reform and public aid initiatives at the national level. We would urge you to take a look at that.

We appreciate your concern and leadership and look forward to working with you and your staff.

Senator SIMON. Thank you very, very much. Next, Ms. Shoup.

Ms. SHOUP. Thank you. I am also representing Illinois Service Delivery Area 14 which is a nine county area in West Central Illinois. And my written testimony contains some details on the labor market conditions in our SDA. I will refer you to that for later review.

I would like to take this opportunity to thank you for the many chances and hearings you offered for individuals in the employment training community to comment on your amendments. I think that hearing from those of us who deliver programs will enhance the quality of the program in the future.

The Job Training Partnership Act has provided the avenue for employment training programs to be recognized as a viable system in today's labor market. By developing a partnership between the private and public sector, placing the responsibility for decision making, design and delivery of programs at the local level, and by holding the system accountable. This is a government program that has credibility in the business community. Any changes to JTPA whether these amendments or those entered in the future should not tamper with the basic design of this program.

Today I would like to comment on three areas of, first of all, I think many people have commented on this already, the funding formula. And I do fear the concern that others have expressed about the emphasis on the economically disadvantaged data being as old as it is. I am concerned that we might find some more current statistics if we are going to change the funding formula.

I do support the proposal to create separate adult and youth titles as long as that does not impact the adult funding in the future. I think we must continue to emphasize job placement in the adult programs, but we also must include long term employment and some guarantees for self sufficiency. I think since we are moving towards that effort to emphasize the hardest to serve that increasing the percent for non-economically disadvantaged would not come to that end and we should maintain the 10 percent of adult programs.

As long as we are looking at the adult section, I would also like to say that our Private Industry Council does support the set aside for experimental programs and with that, withholding those programs from performance standard measures.

In addressing the youth issue I would like to state that economically disadvantaged should not be the total eligibility criteria. We have operated a basic education competency program with a number of local school districts, and one of the things that we can verify is that the youth that could benefit from this program are not necessarily meeting the income guidelines. So we would welcome an expansion of the 10 percent window to a 15 percent window for youth. We would also encourage you to look at changing the eligibility age to 14 through 21. We feel that it is necessary that there should be programs to intervene before youth can legally drop out of school.

With respect to the Challenge Grant I also support that. Very much I think that it is encouraging to see a reward for creativity and for cooperation. That too often we are not sanctioned for not doing that or criticized but this is an opportunity to reward local coordination. I would recommend however, that you would also include in your application process the requirement that Private Industry Council must also comment on the application for the demonstration project and identify how it enhances and does not duplicate programs that are being designed for that targeted population.

In closing, I would like to request the Senator consider an additional amendment. And that would be with regard to Title II of the Family Support Act of 1988. Although the job opportunities and basic skills training programs allows the State Administering Agency to utilize the local job training system with the delivery of programs, and it also requires that the Private Industry Council be consulted with regard to contracting issues, the legislation does not address joint planning at the local level. I would refer you to Title V of the Job Training Partnership Act which amended the Wagner-Peyser Act, and included in that Joint Planning would be with both Private Industry Council, chief elected officials, as well as the Employment Security.

And I would ask that you would consider similar language with regard to the jobs plan. I think that it is imperative that the Private Industry Council and chief elected officials be involved at the local level in developing this plan or the idea of welfare reform and cooperation, coordination at the local level will not exist.

I want to thank you very much for this opportunity.

[The prepared statement of Ms. Shoup with an attachment follows:]

WRITTEN TESTIMONY OF BLANCHE SHOUP
DIRECTOR OF THE JOB TRAINING OFFICE, CARL SANDBURG COLLEGE
REPRESENTATIVE OF ILLINOIS SERVICE DELIVERY AREA 14

TO THE

SUB-COMMITTEE ON EMPLOYMENT AND PRODUCTIVITY
UNITED STATES SENATE

ILLINOIS SERVICE DELIVERY AREA 14 IS A NINE COUNTY AREA COMPRISED OF ADAMS, BROWN, HANCOCK, HENDERSON, KNOX, MCDONOUGH, PIKE, SCHUYLER, AND WARREN COUNTIES IN WEST CENTRAL ILLINOIS. SDA 14 HAS A POPULATION BASE OF OVER 200,000 POPULATION WITH FOUR CITIES IN POPULATION OVER 10,000. BASED UPON CURRENT DATA, SDA 14 CAN BE CHARACTERIZED BY THE FOLLOWING LABOR MARKET FACTORS:

1. UNEMPLOYMENT RATE FOR CALENDAR YEAR 1988: 7.5%
2. POPULATION DENSITY: 40 PER SQUARE MILE (1986 DATA)
3. EMPLOYEE/RESIDENT WORKER RATIO: 97.4
4. PERCENTAGE OF FAMILY INCOME BELOW POVERTY LEVEL: 8.9% (1979 DATA)
5. EMPLOYMENT GROWTH RATE: 1985-1987 2.27%
6. AVERAGE ANNUAL EARNINGS IN WHOLESALE/RETAIL TRADE: $10,760
7. AVERAGE WAGE IN AREA: $15,200 (1986 DATA)
8. REAL 3-YEAR GROWTH RATE IN EARNINGS, WHOLESALE/RETAIL: -7.6% (1984-1987)
9. PERCENTAGE OF EMPLOYMENT IN MANUFACTURING, AGRICULTURE, AND MINING: 20.5%

THE FOLLOWING ANALYSIS COMPARES SERVICE DELIVERY AREA 14'S LABOR MARKET CONDITION TO THE STATE OF ILLINOIS:

1. **UNEMPLOYMENT:** IN 1987, SDA 14 HAD THE 10TH HIGHEST UNEMPLOYMENT RATE AMONG THE STATE'S 26 SDA'S.

2. THE POPULATION DENSITY OF SDA 14 IS, ALONG WITH 2 OTHER SDA'S, THE LOWEST IN THE STATE OF ILLINOIS. SDA'S RANGE FROM 40 PER SQUARE MILE TO 7,000 PER SQUARE MILE, AND AVERAGE 210 PER SQUARE MILE.

3. SDA 14'S EMPLOYEE/RESIDENT WORKER RATIO IS WITHIN THE MEDIUM RANGE IN THE STATE OF ILLINOIS WHERE THE RATIOS RANGE FROM 73.4 TO 148.9. STATE AVERAGE IS 99.8.

4. IN 1979, SDA 14 RANKED FIFTH OUT OF 26 SDA'S IN HAVING THE HIGHEST PERCENTAGE OF FAMILY INCOMES BELOW THE POVERTY LEVEL. RANGE FOR THAT YEAR WAS 2.3% TO 12%. STATE AVERAGE WAS 8.4%.

5. FROM 1985-1987 THE EMPLOYMENT GROWTH RATE IN SDA 14 WAS 2.27%. THE STATE AVERAGE WAS 3.2%. SDA'S RANGED FROM -10.74% TO 13.52%.

6. THE AVERAGE ANNUAL EARNINGS IN THE WHOLESALE/RETAIL TRADE IN SDA 14 DURING 1987 WAS THE THIRD LOWEST OF THE STATE'S 26 SDA'S. THE $10,760 FOR SDA 14 COMPARES WITH THE STATE AVERAGE OF $16,790.

7. THE AVERAGE WAGE IN SDA 14, 1986 DATA, WAS THE LOWEST IN THE STATE OF ILLINOIS. SDA 14'S $15,200 AVERAGE COMPARES WITH STATE AVERAGE OF $21,500 AND HIGH AVERAGE OF $23,500.

8. REAL 3-YEAR GROWTH IN EARNINGS FROM 1984-1987 FOR THE WHOLESALE/RETAIL TRADE WAS -7.6% IN SDA 14, SECOND LOWEST OF ALL 26 SDA'S. STATE AVERAGE WAS 2.9% AND HIGH WAS 7.6%.

9. THE PERCENTAGE OF EMPLOYMENT IN MANUFACTURING, AGRICULTURE AND MINING IN SDA 14 WAS 20.5% COMPARING TO THE STATE AVERAGE OF 20.3%.

SDA 14 FALLS SHORT OF THE ECONOMIC RECOVERY CURRENTLY EXPERIENCED BY MANY PARTS OF THE NATION.

THE PRIVATE INDUSTRY COUNCIL, COMPRISED OF 35 MEMBERS, AND THE 13 MEMBER CHIEF ELECTED OFFICIALS CONSORTIUM HAD THE OPPORTUNITY TO MEET WITH A MEMBER OF SENATOR SIMON'S STAFF ON JANUARY 10, 1989, AND COMMENTED ON THE SENATOR'S PROPOSED AMENDMENTS. THE PARTNERSHIP CONCURRED WITH THE PROPOSED EXCLUSION OF COLLEGE STUDENTS AND THOSE IN THE ARMED FORCES FROM THE NUMBER OF ECONOMICALLY DISADVANTAGED. THEY ALSO SUPPORTED THE SENATOR'S PROPOSAL TO SET ASIDE A PERCENTAGE OF THE ALLOTMENT FOR EXPERIMENTAL PROGRAMS FOR THE "HARD TO SERVE" WHICH WOULD BE EXEMPTED FROM PERFORMANCE STANDARDS. THE MEMBERS PRESENT AT THE MEETING DID NOT SUPPORT THE PROPOSED CHANGE IN YOUTH ELIGIBILITY TO INCLUDE 16-24 YEAR OLDS.

IN ADDITION THE FOLLOWING COMMENTS ON THE SENATOR'S PROPOSED AMENDMENTS ARE BEING OFFERED. THE PROPOSED CHANGE IN THE FORMULA

ALLOCATION, WHILE IT ADDRESSES THE INTENT OF THE LEGISLATION TO TARGET THE ECONOMICALLY DISADVANTAGED, DOES SO BASED ON OUTDATED DATA. THE EMPLOYMENT AND TRAINING COMMUNITY RECOGNIZES THAT THE RELIABILITY OF THE DATA IS IN QUESTION. IT IS THEREFORE POSSIBLE THAT FUNDS ARE CURRENTLY NOT BEING DIRECTED TO THE APPROPRIATE AREA. WEIGHING THIS DATA MORE HEAVILY WOULD ONLY COMPOUND THIS PROBLEM. THEREFORE, WE DO NOT SUPPORT CHANGING THE FORMULA FUNDING.

WE SUPPORT THE CREATION OF SEPARATE ADULT AND YOUTH TITLES UNLESS FUNDING LEVELS FOR THE ADULT PROGRAM WOULD BE JEOPARDIZED. SINCE THE EMPHASIS FOR SERVICE TO THE ECONOMICALLY DISADVANTAGED IS NOW DIRECTED AT THE MORE "HARD TO SERVE" IT WOULD SEEM THAT MAINTAINING THE 10% WINDOW FOR SERVICE TO ADULTS WOULD BE MOST APPROPRIATE. SINCE THE EMPHASIS FOR YOUTH PROGRAMS IS NOW BEING DIRECTED TO THE DEVELOPMENT OF A MORE COMPETENT WORKFORCE WE WOULD SUPPORT A 15% WINDOW UNDER THE YOUTH TITLE. OUR OWN EXPERIENCE IN OPERATING THE BASIC EDUCATION COMPETENCY PROGRAM IN CONJUNCTION WITH SEVERAL LOCAL SCHOOL DISTRICTS HAS DEMONSTRATED THE BASIC EDUCATION DEFICIENCY IN HIGH SCHOOL STUDENTS IS NOT LIMITED TO ECONOMICALLY DISADVANTAGED. WE DO NOT SUPPORT THE PROPOSED CHANGE IN THE AGE REQUIREMENTS OF 16-24 YEARS BUT RECOMMEND THE AGE REQUIREMENT BE 14-21 YEARS. AS PREVIOUSLY STATED, THE PRIVATE INDUSTRY COUNCIL DOES SUPPORT THE PROPOSED SET ASIDE FOR EXPERIMENTAL PROGRAMS WHICH WOULD BE EXEMPT FROM PERFORMANCE STANDARDS.

IN REVIEWING THE SENATOR'S PROPOSED FAIR CHANCE OPPORTUNITY CHALLENGE GRANT THE ONLY RECOMMENDATION FOR CHANGE WOULD BE TO SECTION 495 APPLICATION. THE PROPOSED AMENDMENT PROVIDES ONLY THE OPPORTUNITY FOR REVIEW AND COMMENT FROM THE STATE JOB TRAINING COORDINATING COUNCIL OR THE LOCAL PRIVATE INDUSTRY COUNCIL. REVIEW AND COMMENT, TOO OFTEN, HAS NO IMPACT FOR CHANGE. UNDER CONTENTS OF THE APPLICATION A NUMBER 14 SHOULD BE ADDED THAT WOULD REQUIRE COMMENTS FROM THE LOCAL PRIVATE INDUSTRY COUNCIL SPECIFYING HOW THE DEMONSTRATION PROJECT WOULD ENHANCE OR COMPLIMENT SDA PROGRAMS WHICH SERVE THE TARGET POPULATION AND ASSURE THERE WOULD BE NO DUPLICATION OF CURRENT PROGRAMS. THE CONCEPT OF SUCH A DEMONSTRATION PROJECT IS WELL RECEIVED AND WOULD BENEFIT NOT ONLY THE TARGET AREA BUT ALSO SDA'S THAT WISH TO REPLICATE THE PROGRAM.

THE SENATOR'S PROPOSED AMENDMENTS SHOULD ALSO INCLUDE AMENDMENTS TO THE FAMILY SUPPORT ACT OF 1988 AND PARTICULARLY TITLE II THE JOB OPPORTUNITIES AND BASIC SKILLS TRAINING PROGRAM. IN REVIEW OF THE FAMILY SUPPORT ACT, TITLE II JOB OPPORTUNITIES AND BASIC SKILLS TRAINING PROGRAM, PART F, SECTION 483 ADDRESSES THE REQUIREMENT THAT THE GOVERNOR SHALL ASSURE THAT PROGRAM ACTIVITIES ARE COORDINATED WITH PROGRAMS OPERATED UNDER THE JOB TRAINING PARTNERSHIP ACT AND SECTION 485 ALLOWS THE STATE AGENCY TO UTILIZE THE ENTITIES FUNDED THROUGH THE JOB TRAINING PARTNERSHIP ACT FOR DELIVERY OF SERVICES AND REQUIRES THE PRIVATE INDUSTRY COUNCIL BE CONSULTED ON THE DEVELOPMENT OF CONTRACTS. HOWEVER, THE LAW REQUIRES THAT THE STATE PLAN BE SUBMITTED ONLY

TO THE STATE JOB TRAINING COORDINATING COUNCIL FOR REVIEW AND COMMENT. WITH THE ENACTMENT OF THE JOB TRAINING PARTNERSHIP ACT IN OCTOBER OF 1982, THE WAGNER PEYSER ACT WAS AMENDED TO INCLUDE THE PRIVATE INDUSTRY COUNCILS AND THE CHIEF ELECTED OFFICIALS AS PARTNERS WITH THE EMPLOYMENT SERVICE IN DEVELOPING JOINTLY THE PLAN WHICH IS SUBMITTED TO THE STATE JOB TRAINING COORDINATING COUNCIL (TITLE V OF JOB TRAINING PARTNERSHIP ACT). IT WOULD SEEM APPROPRIATE THAT THE AMENDMENTS TO THE JOB TRAINING PARTNERSHIP ACT ALSO INCLUDE LANGUAGE SIMILAR TO THE WAGNER PEYSER ACT THAT WOULD INCLUDE THE PRIVATE INDUSTRY COUNCILS AND THE CHIEF ELECTED OFFICIALS IN JOINT DEVELOPMENT OF THE PLAN TO BE SUBMITTED TO THE STATE JOB TRAINING COORDINATING COUNCIL.

THIS CONCLUDES THE COMMENTS FROM ILLINOIS SERVICE DELIVERY AREA 14.

Illinois Department of Commerce and Community Affairs

Jay R. Hedges
Director

James R. Thompson
Governor

Steven D. McClure
Assistant Director

April 24, 1989

Honorable Paul Simon
United States Senate
SD-462 Dirksen Building
Washington, D.C. 20510

Subject: Comments on S. 543 presented at April 24, 1989 Hearing

Dear Senator Simon:

Thank you for the opportunity to comment on Senate Bill 543. For ease of reference, our comments will be organized into topical areas.

Administration Funds

The Department of Commerce and Community Affairs (DCCA) is deeply concerned with the effects your proposal would have on the department's available funds to administer Job Training Partnership Act (JTPA) programs. If your bill would pass without any allowance being made for state administration costs under Title II-B, it is estimated that our administration budget would decrease by approximately 35 percent. This decrease is the result of the erosion of the state's Title II-A allotment base through the movement of 40 percent of the funds to Title II-B and the weighting of the formula factors of unemployment and economically disadvantaged (Illinois' smallest factor) equally. Given the state's role in program oversight, monitoring, policy development, etc., it would be impossible to adequately fulfill our administrative functions for both Titles II-A and II-B with less available funds. This situation would be compounded with a year round youth program which includes different eligibility criteria and allowable activities for dropout-prone youth, in-school youth, dropouts and out-of-school youth.

Allocation Formula

Our objections to the proposed revision to the Title II-A allotment formula center on the increased award given to the number of economically disadvantaged in each state, with a commensurate decrease in awards given to measures of hardship through unemployment. While increased emphasis on the number of economically disadvantaged may appear to be in keeping with the practices of the JTPA, it is our belief that the data source used for these counts, the 1980

Census, is so obsolete at this time that it is inappropriate to increase its importance. By the time 1990 Census would be available for use in formula allotments and allocations, it will already be 3 years old. Thus we have some concerns about its reliability over time and in the short term. This data set does not register the vast and important economic upheavals which have taken place in Illinois since 1980. If no alternate data source exists with the necessary level of specificity, we feel that the logical choice of action would be to avoid an increase in the importance given to this factor in the allocation formula.

Likewise, our objections to the proposed Title II-B allotment formula involve the increased award given to the relative number of economically disadvantaged youth within each state. While the attempt to specifically include economically disadvantaged youth in the count is commendable, we would again object to the increased importance being given to an increasingly superannuated data source.

State Education Coordination and Grants Program

DCCA is opposed to the proposed changes in funding to the State Education Coordination and Grants Program. Historically, the emphasis of the Illinois State Education Coordination and Grants Program has been to fill gaps in programming offered through other education, employment and training activities. Obviously, communities must have jobs in which to place JTPA program completors, including the hard to serve. In Illinois, we have made a conscious decision to combine our JTPA efforts with the state's economic development initiatives to create, retain and upgrade jobs with the private sector. A portion of the State Education Coordination and Grants setaside supplements state and local efforts in this critical area. Basic skills and remedial education activities for both youth and adults have been and continue to be an important part of our strategy as well. Because this program is operated through the Illinois State Board of Education and the Illinois Community College Board, coordination between service delivery areas and the education community is situationally expedient. Your bill proposes that service delivery areas use 3 percent of their 80 percent formula funds to support long term training and basic skills services. From my perspective, this proposal does not enhance the current system's abilities to respond to those needs and diminishes its capacity to react to other, equally critical needs. With the shift of 40 percent of the Title II-A allotment to Title II-B and the decrease of Education Coordination and Grants funds to 5 percent of the Title II-A allotment, this Illinois setaside would decrease approximately $5 million. We cannot support the virtual elimination of this state JTPA initiative.

Performance Standards/Incentive Awards Policy

While we do not object to the idea of performance measures related to the acquisition of basic skills and workplace competencies by adults (as well as youth), such competencies should not become ends in themselves. These skills are means toward the ends of economic self-sufficiency and reduction in welfare dependency. If program accountability systems are not kept closely related to these ultimate program objectives we will increase the risk that the program will become less relevant to the labor market, undermining private sector support for the program. We suggest that adult competency measures be defined as interim measures along the way to employment and earnings gains, and that adult competency measures should not constitute a basis for incentive awards.

We support the implementation of performance measures related to earnings gains and long-term retention in employment. We offer two suggestions for the retention measure: the time period should be standardized at six months for both sanctions and incentive awards, and the Governors should be given specific authority to use state administrative data (such as Unemployment Insurance wage files) to measure such employment and earnings. In the absence of this, USDOL may require participant follow-up to be conducted by the JTPA system. Most states have encountered serious difficulty in obtaining an adequate response rate under the follow-up system currently in place. Lengthening the post-program period would only make this problem worse.

The bill requires the Secretary to develop separate performance standards for each of four groups: hard-to-serve individuals, all other individuals, in-school youth and out-of-school youth. It is not clear if this would mean separate national numeric standards or separate measures. We have the following concerns about this proposal:

1. There is a limit to how complex the performance standards system can become and still have any effect on SDA behavior. Four sets of standards probably exceed this limit.

2. Separate standards for the hard to serve implies that there will be a national standard definition of this term. Such definitional issues are best left to the States and local partnerships to resolve.

3. We certainly support the idea that performance expectations should be adjusted for disproportionate service to the hard to serve. This can be done within the existing performance standards system by using the adjustment models and providing further adjustments as warranted. It does not seem necessary to establish separate standards for each group in order to accomplish this goal.

The State of Illinois has implemented a number of changes to its performance standards and incentive awards systems designed to promote long-term training, employment retention and service to the hard to serve. The ability of the Governor to design an incentive award policy with the advice of the SJTCC has shown itself to be an absolutely critical element of the State's performance management strategy. This bill would place severe limits on the Governor's ability to award incentive bonuses and would seriously compromise the effectiveness of incentive award systems.

The bill seems to exclude the youth program from the award of incentive bonuses. This could have the unintended effect of diminishing SDA emphasis on positive outcomes for youth relative to adults. Our experience is that the threat of sanction is not nearly as significant as the prospect of financial reward.

Separate Youth Title under JTPA

The department is not philosophically opposed to establishing a separate youth title under JTPA which would include both year round and summer programming. However, as noted in the first paragraph of this letter, the department does not support the proposal as presented in your bill because of the devastating effect the shift of Title II-A funds to Title II-B would have on the state's administration budget. Allowing states 5 percent of the Title II-B allotment would remedy this problem.

Youth Defined as Individuals Aged 16 to 24

The Illinois Job Training Coordinating Council (IJTCC) was confused as to the emphasis on youth placed in your bill with the corresponding expansion of the definition of youth to include those aged 22 through 24. They felt strongly that the needs with respect to employment and training for these individuals could be similar to those youth traditionally viewed as "school aged"; however, the means by which those needs could most appropriately be met would probably be substantially different. Increasing the age of youth could alter the focus of the Title II-B program and dilute both its intent and effectiveness. The department concurs with the Council on this issue and additionally has some concerns with respect to the ready availability of data to support formula allocation.

SDA Reallocation

Your bill states that funds carried over from one fiscal year to another cannot exceed 10 percent of the service delivery area's allocation. It goes on to state that the total amount of funds allocated which can be carried forward may not exceed 20 percent of the amount of funds allocated. As worded, these provisions are unclear and appear contradictory. Illinois currently operates on a "15 percent of allocation" as allowable carry forward policy. It has been very effective at curbing underexpenditures within our SDA system while allowing SDAs some flexibility in the event they experience major shifts in their formula share. In the past, some Illinois SDAs lost as much as 25 percent of their allocations. We appreciate the provisions of your bill which address this problem.

Title II-B Provisions

The department appreciates your efforts to more clearly define "dropout-prone youth" and to target activities to the various categories of youth in need. The detailed coordination and linkages requirements noted in this section are also commendable. Although we concur with the notion that successful programs should be replicated where possible and desirable, we are uncertain whether the administrative structure and separate appropriation from the Title II-B program are necessary to bring this about. Programs such as Jobs for America's Graduates, Youth Opportunities Unlimited and the Summer Training and Employment Program aimed at economically disadvantaged youth are already available to those states desiring to replicate them.

Private Industry Council Composition

The department applauds the continuation of the private sector majority on local private industry councils as appropriate with the intent of JTPA. Retraining a private sector chairman, from our perspective, sends the "right message" regarding JTPA's value as an economic development tool and the system's awareness that jobs for our participants must be largely obtained in the private sector to achieve the goals of reduced welfare dependency and economic self sufficiency. In the fight against illiteracy and basic skills deficiencies, we need business as our allies and active partners. The provisions of your bill maintain the private sector emphasis while guaranteeing a greater presence for organized labor and community based organizations. We also believe the time has arrived to ensure that public assistance agencies are represented on private industry councils, particularly given the role of these councils in the administration and implementation of the JOBS portion of the Family Support Act of 1988.

Participation of Non-Economically Disadvantaged

The department supports the provision of private industry councils having the option to increase the percent of non-economically disadvantaged persons participating in Title II-A or Title II-B to 15 percent. Defining the conditions under which such individuals could be served will ensure services to those in need, who can benefit from, JTPA.

Older Individuals Program

The department is cognizant of the expenditure problem nationally with the Older Individuals Program. Since the implementation of our reallocation policy, Illinois has witnessed greater improvement in expenditure levels for this program; in fact, we expect an expenditure rate in the 90th percentile this year. SDA experience in serving this special client population is probably a factor as well. With the pending aging of the labor force, we would hate to see this program cut back to the extent proposed in your bill. Eroding the Title II-A allotment base by moving 40 percent of the funds to Title II-B, when combined with the decrease from 3 to 2 percent, would leave approximately $1,200,000 for this program in Illinois. Because we formula allocate this money, some SDAs would barely have sufficient funds to operate a viable program.

Honorable Paul Simon
April 24, 1989
Page Six

Thank you again for the opportunity to provide written comments and verbal testimony on Senate Bill 548. If you have any questions on this, please contact Mr. John Taylor, Manager, Job Training Programs Division at 217/785-6006.

Sincerely,

Jay Hedges

Jay R. Hedges
Director

Senator SIMON. I thank you. Both of you mentioned something that earlier witnesses had mentioned. And that is the data base, the census. Any suggestions anyone may have we would welcome. The difficulty, just using the employment base, is the discouraged workers are not included or young people who have just never been part of the job market. So you get a distorted picture. But there is no question there are problems in also using the census data.

You mentioned one suggestion here, Mr. Whetstone, that the welfare representatives be part of PIC Council. Just out of curiosity if anyone here who is part of the PIC Council how does that work here? Maybe you know, Ms. Shoup. In this area is there any kind of coordination with public aid here?

Ms. SHOUP. In this SDA, in 14 there is not a representative from the Department of Public Aid. It varies across the state.

Senator SIMON. Mr. Whetstone, we are as you might guess, getting conflicting advice on the level of state assistance. The President Advisory Commission recommends totaling out any state administrative costs or assistance at all. Others are suggesting that instead of going through the states, we go directly from the Federal Government to the local SDA's. Our Bill, basically as you suggests, calls for about a 40 percent cut. What would the impact be in Illinois if either we followed the recommendation of the President's Group, just zeroing out state funds or a 40 percent cut as we are suggesting here?

Mr. WHETSTONE. Well, I mean aside from the obvious impact, a lot of people who are currently involved at the state level and helping administer JTPA would be gone. The state's role would obviously have to be much more limited, and from our perspective, and which is obviously a selfish one, but I think that the states and the Illinois Job Training System at the local level would also agree. One of the key precepts that JTPA was founded upon was a concept of new federalism and an enhanced state role. And what has happened in most states, unfortunately not all, but in most states, and I think particularly in Illinois, our state agency where in past years before JTPA we have gone from being an adversary to being an advocate, and we have gone from an orientation of not trying to regulate what we have no control over, but trying to be more service oriented. And I truly think that the enhanced state role that has been given has allowed the State of Illinois to pass on flexibility in key areas, to local Private Industry Councils, that the Federal Government and the old CETA and others never could afford to pass on because they could not control it. There was too much authority to pass at too many different locals.

So each state is allowed to shape its own overall state goal and objectives, and we do that here. And then allow yet each Private Industry Council and local elected officials to then still retain the flexibility to accomplish that within a statewide framework. We have an overall state mission and yet there is still 26 SDA's that are pursuing separate and flexible courses to accomplish that overall mission. I think that flavor would be lost and, because Illinois shares some themes across the state while there are differences, it is a nice balance and I would hope that the SDA's would think in Illinois that the enhanced state involvement and the level that we have that it helps the program and without that that services would suffer.

That is our opinion anyway.

Senator SIMON. If I may put you on the spot here. What we have frankly, and these are suggestions I can say candidly from other states. I have had no complaints in the State of Illinois. But does the State play a significant assistance role here to you in this area?

Ms. SHOUP. Yes. Let me expound on that——

Senator SIMON. I do not know how we can get that sideward glance in the record.

Ms. SHOUP. Let me just say that having worked with the CETA program and being part of the balance of state, I have limited experience in working with the Department of Labor. But I do see a change in the role of the State. When I was with the CETA program and now with JTPA, and it definitely is more of an assistance role. It is not a gotcha role.

The other thing I would say too is where I may not agree with Decka and some of the staff and some of the policies, I am clearly heard. That does not mean that they change, but at least I have some viable input. And I feel that having listened to a number of different, from people from different states and at different conferences, they do not share that kind of partnership in other parts of the state that we have in Illinois.

Senator SIMON. Obviously, what is happening in Illinois is what we need in other states. Is there any way, either one of you, to insure that kind of cooperation?

Mr. WHETSTONE. Well, in part I think there can be by—in Illinois the state has chosen to get involved in areas that we had the discretion to get involved in but would not have to. And I think a real good example is the whole area of performance standard in the current law. Right now in too many other states we see the really hard core disadvantaged not being served because without creatively applying some exceptions or applying revisions to the secretary's performance standards model. There is a disincentive for serving people who need more help. It is more expensive. There is a disincentive to do that.

Similarly there is a disincentive for doing longer term training. And each SDA would not have the necessary funds, level of funds, or expertise or wherewithal to come up with a way to turn those disincentives around and make, and in effect, build in incentives for serving the hard core disadvantaged and for pursuing longer term training.

In Illinois we did that. We had the resources at the state level to pursue it. We think we have been a leader in the Midwest because other states are jumping on the band wagon. So in areas like that and many other technical type areas it is going to cost money and attention, it is a long term development process. That is where we think there is such a viable benefit that if the states role was in fact diminished due to less resources there simply would not be the dollars there for anyone at SDA to do it or we think the leadership there for SDA's to pull together and undertake that on their own.

Senator SIMON. We just had testimony on the problems of the disabled here a little bit ago. And for a while we had someone who was signing. It is a great story incidentally in Sunday's Parade

Magazine written by the daughter of a deaf couple. Do you share information or how do you get information about one, you know, let us say in this area you have a program that really is of assistance to those who are hearing impaired. How do you get it to Jacksonville, Quincy, to Carbondale?

Ms. SHOUP. Well, one thing we do have an employment training partnership which is comprised of the 26 directors appointed by their chief elected officials and Private Industry Council chairs. And we share a great deal of information. One of the programs that was referred to by people from SDA 13 they have an excellent program here called the BEST Program. The State Board of Education used some of their resources to circulate that throughout the State. So there is a sharing of information.

Senator SIMON. Good. We thank both of you very, very much for your testimony.

Our final panel is Charlotte Mohr the Chair of the State Job Training Coordinating Council in Iowa. She is from Eldridge, Iowa. John Kiley, the Director of Job Training Program for the Eastern Iowa Business and Industry Center from Davenport, and Twila Young, Independent Consultant who is with the Office of Professional Employees International Union, Local 37. She is President of the Mid-Iowa Coalition of Labor Union Women, and member of the National JTPA Advisory. You have more title than I do.

We are happy to have them all here. And, Ms. Mohr, let us hear from you first.

STATEMENT OF CHARLOTTE MOHR, CHAIRPERSON, STATE JOB TRAINING COORDINATING COUNCIL [SJTCC], STATE OF IOWA; JOHN KILEY, DIRECTOR, JOB TRAINING PROGRAM, EASTERN IOWA BUSINESS AND INDUSTRY CENTER; TWILA YOUNG, INDEPENDENT CONSULTANT, OFFICE OF PROFESSIONAL EMPLOYEES INTERNATIONAL UNION [OPEIU], LOCAL 37, PRESIDENT, MID-IOWA COALITION OF LABOR UNION WOMEN [CLUW], MEMBER, NATIONAL JTPA ADVISORY COMMITTEE

Ms. MOHR. Thank you, Senator Simon. Thank you for this opportunity to provide testimony regarding proposed amendments to the JTPA Act.

I would like to present some of the concerns and suggestions that I share with the JTPA staff at Iowa DED which is the State Administrative Entity for JTPA.

I have four concerns involved in the amendment of JTPA. Number one, "Who should the program serve?" We must keep in mind that the employment and training programs created by the Job Training Partnership Act cannot be all things to all people. The funds appropriated for JTPA programs must be used to serve the major purpose of the Act, to prepare youth and unskilled adults for entry into the labor force and to train the economically disadvantaged and individuals with serious barriers to employment. The program should, most emphatically, be serving the most in need. It is not the mandate of the JTPA programs to serve those within the eligible population who are best equipped to succeed in competitive employment.

Instead, the JTPA must utilize its limited resources to serve those who are most in need of its services and must provide the level of service necessary to bring those individuals into the mainstream of a labor market. Because of the limited resources of employment and training programs and in an effort to encourage increased emphasis on serving the most in need, it is an acceptable alternative to serve fewer people. If those people are harder to serve and if they receive increased services which will more adequately prepare them for entry into the labor force.

The changing economic climate provides yet another argument for serving the most in need. In the early 1980's, when JTPA was conceived, the economy was such that putting as many people back to work as quickly as possible was a high priority. The current economic recovery brings with it a realization that the pool of workers who are sufficiently skilled to fill the increasing number of highly skilled positions is far too small. A high priority must now be placed on training the nation's least job ready to fill this void.

Therefore, we believe that a maximum of 10 percent non-economically disadvantaged should be served with JTPA, Title II-A and Title II-B funds. Increasing the percentage of non-economically disadvantaged that may be served with JTPA funds would dilute the targeting effect and the most in need, who do not have lobbying power, will be left out.

Concern number two, "What is the best way to serve youth?" We agree with you, Senator Simon, to better serve the youth population within the constraints of the current appropriation levels the Title II-B summer youth employment and training program should be expanded to a year round youth program. This expanded youth program should be targeted to drop outs, potential drop outs, welfare recipients and at risk youth and focus on in-school programs, school-to-work transition and GED completion, as well as including a summer youth remediation and work experience component. The youth expenditure requirement should be removed from Title II-A and funds diverted from Title II-A to the expanded Title II-B program, eliminating the need for an additional appropriation for the expanded program. In addition, activities that are allowable under the current Title II-A Exemplary Youth Program should be placed in the expanded Title II-B year round youth program. The separate Exemplary Youth Program should be eliminated reducing duplication and confusion.

We support the concept of the Fair Chance Challenge Grant Program. Iowa is currently utilizing 8 percent funds to conduct such partnership type projects demonstrating that it is possible to utilize the existing service delivery system to conduct such a program.

Regardless of whether the Title II-B program is expanded to a year round youth program or not, States must be allowed to retain 5 percent of the Title II-B funds to provide adequate administration and oversight of that program.

Concern number three, "What is the best means of allocating funds to insure targeting of those funds to the most in need?" While we support you, Senator, on the efforts to change the allocation formula to direct more funds to areas that have higher percentages of economically disadvantaged individuals such changes to the allocation formula should not be undertaken until studies have been conducted at the national and state levels to determine the impact of such changes. It is of the utmost importance that the impact of such a major shift in the formula be discussed with the States and SDA's prior to its implementation. There is good reason to be concerned about the availability and adequacy of the data which would be necessary to calculate the proposed allocation formula. Census data with regard to the economically disadvantaged population is not updated annually and a change in the allocation formula that places more emphasis on these statistics would mean awarding a larger percentage of the funds on data that can be up to 10 years old. Before any change such as this is made, a reliable method must be devised to update the economically disadvantaged data on an annual basis. In addition, any change in the formula allocation must include a method of limiting the volatility of funding to the States and SDA's.

My concern number four is, "What is the best measure of success?" The current system of performance measurement for JTPA needs to be improved and simplified. We applaud you, Senator Simon, on your efforts to bring the performance measurement system more in line with the purpose of the Act and encourage legislators to keep the calculations as simple as possible. And recognizing and acknowledging that employment and training programs cannot be judged by numbers alone. More authority must be given to the States to deal with issues at the local level that involve a quality of the program.

Once again, Senator Simon, I thank you for this opportunity.

[The prepared and supplementary statement of Ms. Mohr follows:]

TESTIMONY FOR JTPA HEARING

APRIL 24, 1989

Good afternoon. I'm Charlotte Mohr, Chairperson of the Iowa State Job Training Coordinating Council. Thank you for this opportunity to provide testimony regarding the proposed amendments to the Job Training Partnership Act. I am here today to present some of the concerns and suggestions that I share with the JTPA staff at the Iowa Department of Economic Development which is the State Administrative Entity for JTPA.

The most important issue involved in the amendment of JTPA revolves around the question "WHO SHOULD THE PROGRAM SERVE?" We must keep in mind that the employment and training programs created by the Job Training Partnership Act cannot be all things to all people. The funds appropriated for JTPA programs must be used to serve the major purpose of the Act -- to prepare youth and unskilled adults for entry into the labor force and to train the economically disadvantaged and individuals with serious barriers to employment. The program should, most emphatically, be serving the most-in-need. It is not the mandate of the JTPA programs to serve those within the eligible population who are best equipped to succeed in competitive employment.

Instead, JTPA must utilize its limited resources to serve those who are most in need of its services and must provide the level of service necessary to bring those individuals into the mainstream of the labor market. Because of the limited resources of employment and training programs and in an effort to encourage increased emphasis on serving the most-in-need, it is an acceptable alternative to serve fewer people, if those people are harder to serve and if they receive increased services which will more adequately prepare them for entry into the labor force.

The changing economic climate provides yet another argument for serving the most-in-need. In the early 1980's when JTPA was conceived, the economy was such that putting as many people back to work as quickly as possible was a high priority. The current economic recovery brings with it a realization that the pool of workers who are sufficiently skilled to fill the increasing number of highly skilled positions is far too small. A high priority must now be placed on training the nation's least job ready to fill this void.

Therefore, we believe that a maximum of ten percent non- economically disadvantaged should be served with JTPA Title IIA and Title IIB funds. Increasing the percentage of non-economically disadvantaged that may be served with JTPA funds would dilute the targeting effect and the most-in-need, who do not have lobbying power, will be left out.

Another important issue involved in the amendment of JTPA is "WHAT IS THE BEST WAY TO SERVE YOUTH?" We agree with Senator Simon that to better serve the youth population within the constraints of the current appropriation levels, the Title IIB Summer Youth Employment and Training Program should be expanded to a year-round youth program. This expanded youth program should be targeted to drop-outs, potential drop-outs, welfare recipients, and at-risk youth and focus on in-school programs, school-to-work transition, and GED completion as well as including a summer youth remediation and work experience component. The youth expenditure requirement should be removed from Title IIA and funds diverted from Title IIA to the expanded Title IIB program, eliminating the need for an additional appropriation for the expanded program. In addition, activities that are allowable under the current Title IIA Exemplary Youth Program should be placed in the expanded Title IIB year-round youth program. The separate Exemplary Youth Program should be eliminated reducing duplication and confusion.

We support the concept of the Fair Chance Challenge Grant Program. Iowa is currently utilizing 8% funds to conduct such partnership-type projects demonstrating that it is possible to utilize the existing service delivery system to conduct such a program.

Regardless of whether the Title IIB program is expanded to a year-round youth program or not, States must be allowed to retain 5% of the Title IIB funds to provide adequate administration and oversight of that program.

Another area of concern in the amendment of JTPA centers on the question of "WHAT IS THE BEST MEANS OF ALLOCATING FUNDS TO ENSURE TARGETING OF THOSE FUNDS TO THE MOST-IN-NEED?" While we support Senator Simon's efforts to change the allocation formula to direct more funds to areas that have higher percentages of economically disadvantaged individuals, such changes to the allocation formula should not be undertaken until studies have been conducted at the national and state levels to determine the impact of such changes. It is of the utmost importance that the impact of such a major shift in the formula be discussed with the states and SDAs prior to its implementation. There is good reason to be concerned about the availability and adequacy of the data which would be necessary to calculate the proposed allocation formula. Census data with regard to the economically disadvantaged population is not updated annually and a change in the allocation formula that places more emphasis on these statistics would mean awarding a larger percentage of the funds on data that can be up to ten years old. Before any change such as this is made, a reliable method must be devised to update the economically disadvantaged data on an annual basis. In addition, any change in the formula allocation must include a method of limiting the volatility of funding to the States and SDAs. Drastic decreases, and to some extent huge increases as well, may negatively affect the consistency of program operation.

We support the concept of placing age caps on the definition of economically disadvantaged for allocation purposes thus eliminating from the calculation those individuals who are not within the perview of the program. Such caps would make the allocation of funds more directly correspond to the number of individuals within the eligible population that have been targeted to receive JTPA services. We recommend that the youth age range be 14-21 years of age. We believe that the employment and training needs of individuals over the age of 21 can best be served through the Title IIA adult program.

Another area of major concern which must be addressed in the amendment of JTPA is "WHAT IS THE BEST MEASURE OF SUCCESS?" The current system of performance measurement for JTPA needs to be improved and simplified. We applaud Senior Simon's efforts to bring the performance measurement system more in line with the purpose of the Act and encourage legislators to keep the calculations as simple as possible.

Emphasis in the area of expected outcomes for JTPA should remain on increased employment and earnings for adults. However, more emphasis should be placed on the quality of those placements. Entered employment rate, average wage at placement, and job retention rates are good measures of performance to encourage emphasis on placement and quality of placement. Along with this emphasis, it would seem reasonable to eliminate the "cost per" performance measures in order to encourage the provision of increased services to fewer participants who are most in need and for whom a higher level of service is necessary in order to adequately prepare them for the changing labor market. The performance measurement system should reward those SDAs and States who are placing emphasis on serving the hard-to-serve and the most-in-need.

Recognizing and acknowledging that employment and training programs cannot be judged by numbers alone, more authority must be given to the States to deal with issues at the local level that involve the quality of the program. Simply ensuring compliance with the letter of the legislation and regulations does not ensure that programs are being operated in the most efficient and productive manner and are in keeping with the purpose of the Act and the needs of the individuals that the program is intended to serve.

Once again, I thank you for the opportunity to present some of our comments and recommendations. I would also like to submit written testimony which includes the statements I have made today along with additional comments regarding the proposed amendments to JTPA.

SUPPLEMENTARY WRITTEN TESTIMONY TO ACCOMPANY REMARKS PRESENTED BY CHARLOTTE MOHR, CHAIRPERSON, IOWA STATE JOB TRAINING COORDINATING COUNCIL

WHO SHOULD THE PROGRAM SERVE?

The employment and training programs created by the Job Training Partnership Act cannot be all things to all people. The appropriations allotted to JTPA programs must be used to serve the major purpose of the Act which is to establish programs to prepare youth and unskilled adults for entry into the labor force and to afford job training to those economically disadvantaged individuals and other individuals facing serious barriers to employment, who are in special need of such training to obtain productive employment. The program should, most emphatically, be serving the most-in-need. It is not the mandate of the JTPA programs to serve those within the eligible population who are best equipped in terms of education and attitude toward work to succeed in competitive employment.

Instead, JTPA must utilize its limited resources to serve those who are most in need of its services and must provide the level of service necessary to bring those individuals into the mainstream of the labor market. Given the limited resources of employment and training programs and in an effort to encourage increased emphasis on serving the most-in-need, it is an acceptable alternative to serve fewer people, if those people are harder to serve (i.e., have substantial barriers to employment and are most-in-need) and if they receive increased services which will more adequately prepare them for entry into the labor force.

The changing economic climate provides yet another argument for serving the most-in-need. In the early 1980's when JTPA was conceived, the economy was such that putting as many people back to work as quickly as possible was a high priority. The current economic recovery brings with it a realization that the pool of workers who are sufficiently skilled to fill the increasing number of highly skilled positions is far too small. A high priority must now be placed on training the nation's least job ready to fill this void.

In keeping with the emphasis on serving the most-in-need, we believe that the ten percent limitation on service to the non- economically disadvantaged should be retained for Title IIA and should also be allowed for Title IIB. Increasing the percentage of non-economically disadvantaged that may be served with JTPA funds would dilute the targeting effect and the most-in-need, who do not have lobbying power, will be left out.

We agree with Senator Simon that, in order to better serve the youth population within the constraints of the current appropriation levels, the Title IIB Summer Youth Employment and Training Program should be expanded to a year-round youth program which should be targeted to drop-outs, potential drop-outs, welfare recipients, and at-risk youth aged. However, we believe that individuals over the age of 21 can best be served through the adult program and that it would be difficult to convince men and women over the age of 21 that they should be a part of a program that is designated for youth. This expanded Title IIB youth program should focus on in-school programs, school-to-work transition, and GED completion as well as including a summer youth remediation and work experience component. If Title IIB is expanded to a year-round program, the youth expenditure requirement should be removed from Title IIA. Some of the funds from Title IIA could be shifted to Title IIB and an additional appropriation for the expanded program would not be necessary.

One of the targeted youth groups, at-risk youth, is currently the center of a great deal of discussion and debate at the national, state, and local levels. To ensure consistency within JTPA and to assist in the coordination with other federal programs serving that group, the definition of at-risk youth should be standardized at the national level for all federal programs especially Vocational Educational.

The requirement to serve adult drop-outs does not make sense in light of the facts that many of those drop-outs are currently productive members of the workforce and many others are in the older age groups and have retired from the workforce. The drop-out service level requirement should be removed from Title IIA and replaced with a requirement that funds be targeted to serving adults with academic deficiencies that are a substantial barrier to full, productive employment.

The new Title IIA program should target ADC recipients and older workers aged 55-72. Service levels for these groups should be established using PY87 as the base year or incidence in the population, whichever level is greater.

The service level requirement for welfare recipients under Title IIA should be changed from a requirement to serve WIN registrants to a requirement to serve AFDC recipients, thus expanding the emphasis to include more welfare recipients.

If a portion of the new Title IIA program is targeted to older workers aged 55-72 through service level requirement and/or a required expenditure level, the 3% set-aside for older individuals could be eliminated. This would increase the regular Title IIA allocation without increasing the overall appropriation and simplify the service delivery system and administration by combining the older individuals program with the regular adult program. This merging of programs would not only be more efficient, but would also serve the purpose of mainstreaming the older worker programs with other JTPA programs, thus enhancing and expanding the activities and services available to the older worker. It is not the intention of this merger of programs to decrease the emphasis on serving the older individual, but rather it is anticipated that it would be beneficial to the participants as well as easier to administer this more comprehensive approach.

The emphasis in the area of expected outcomes for JTPA should remain on increased employment and earnings for adults. Placement is still the most important outcome for adults, however, more emphasis should be placed on the quality of those placements. Entered employment rate, average wage at placement, and job retention rates are good measures of performance to encourage emphasis on placement and quality of placement. Along with this emphasis, it would seem reasonable to eliminate the "cost per" performance measures in order to encourage the provision of increased services to fewer participants who are most in need and for whom a higher level of service is necessary in order to prepare them for the labor market. If it deemed necessary to recognize other positive outcomes for adults, this should be done at the national level with performance measures rather than at the local level through the development of adult employment competencies. The DOL, states and SDAs are still struggling to define and refine youth employment competency systems and do not need the added burden of the development of adult competency systems.

Allocation Formula

While we support Senator Simon's efforts to change the allocation formula to allocate more funds to areas that have higher percentages of economically disadvantaged individuals, such changes to the allocation formula should not be undertaken until studies have been conducted at the national and state levels to determine the impact of such changes and the impact has been discussed with the states and SDAs. It is of the utmost importance that such a major shift in the formula be discussed with the states and SDAs prior to its implementation.

In addition, there is some reason to be concerned about the availability and adequacy of the data which would be necessary to calculate the allocation formula as proposed. Currently the Census data with regard to the economically disadvantaged population is not updated and a change in the allocation formula that places more emphasis on these statistics would mean awarding a larger percentage of the funds on data that can be up to ten years old. Before any change such as this is made, a method must be devised to update the economically disadvantaged data on an annual basis. In addition, any change in the formula allocation must include a method of limiting the volatility of funding to the States and SDAs. Drastic decreases, and to some extent huge increases as well, may negatively affect the consistency of program operation.

We support the concept of placing age caps on the definition of economically disadvantaged for allocation purposes thus eliminating from the calculation those individuals who are not within the perview of the program. Such caps would make the allocation of funds more directly correspond to the number of individuals within the eligible population that have been targeted to receive JTPA services. We recommend that the youth age range be 14-21 years of age. We believe that the employment and training needs of individuals over the age of 21 can best be served through the Title IIA adult program.

WHAT SERVICES SHOULD BE PROVIDED?

In an attempt to simplify the process of allocating costs to appropriate cost categories and eliminate an artificial distinction in work experience activities, all work experience should be chargeable 100% to training, thus eliminating the need to charge part of the work experience cost to support services.

Allowance, stipends, and bonus payments to participants who have a demonstrated and documented need should be allowable. This does not mean that SDAs should be required to pay allowances under certain circumstances as was the case in previous employment and training programs. Instead, the need and use of such support services should be determined locally and described in the local training plan. By allowing such payments, service delivery areas will be better able to serve the most-in-need and those with serious barriers to employment and would be able target and tailor the use of those types of support payments.

Try-out employment should be an allowable activity for adults as well as youth and should be charged to the support services cost category as cost and abuse control factor.

The limitation on participant support for Title IIA should be removed. This would eliminate the need for PICs to go through the cumbersome and dubious process of requesting waivers on the support services limitation when a certain set of conditions have been met in the service delivery area. By eliminating the separate cost categories for support and training, SDAs can determine what is the most appropriate mix of activities and services based upon other local decisions such as what groups will be targeted to receive those services. If the participant support limitation is not removed, it should be increased to 25%.

The activities that are allowable under the Exemplary Youth Program should be placed in the expanded Title IIB year-round youth program and the separate program of Exemplary Youth should be eliminated. This would expand the types of activities allowable for youth and would eliminate the duplication and confusion of attempting to operate the Exemplary Youth Program activities as a separate program.

MANAGEMENT TOOLS

The Department of Labor should be given more authority in the area of the collection of programmatic and performance data in order to improve national performance measures. In conjunction with this increased authority to collect data and to ensure consistency in eligibility determination, performance standards calculations, and federal reporting, the definition of all terms used in any of these processes should be standardized at the national level and the Department of Labor should standardize the definitions for MIS data collection requirements.

This standardization would help to ensure that states and SDAs are using the same definitions for reporting participant characteristics and performance measurement information, thus making the compilation and use of this information at the national level more accurate, reliable, and valuable. For example, a standard definition of placement would ensure that states and SDAs are all counting the same type of terminations as placements for performance calculation purposes. Also, a federal definition of youth employment competency would ensure that SDAs are all being treated equally when counting youth positive terminations as a result of achieving competency.

Standardization of terms would also assist State Administrative Entities in the assessment of how their SDAs and the states as a whole are doing in comparison with other states and the nation.

States must be allowed to retain 5% of the Title IIB funds for administration of that program as is the case with Title IIA. States are expected to provide the same administrative services (i.e., compilation and submittal of federal reporting information) and oversight (i.e., worksite and grantee monitoring) for Title IIB as it does for Title IIA, but currently states are not allowed to use any of the Title IIB funds to pay for these administrative costs.

Recognizing and acknowledging that the employment and training programs operated by the SDAs with JTPA funds cannot be judged by numbers alone, more authority must be given to the states to deal with issues at the local level that involve the quality of the program. Simply ensuring compliance with the letter of the legislation and regulations does not ensure that programs are being operated in the most efficient and productive manner and are in keeping with the purpose of the Act and the needs of the individuals that the program is intended to serve.

An annual closeout of all Titles and programs under JTPA should be required between the Department of Labor and the states as well as between the states and the service delivery areas. This annual closeout should allow a certain percentage of a program year's allocation as carry-over and the remainder of the funds should revert to the Department of Labor for redistribution. The annual closeout of all Titles and programs would greatly simplify the tracking of expenditures and eliminate a great deal of confusion that surrounds the system which in place currently.

The current 80-day process required by the Act to modify local training plans is lengthy and cumbersome and does not allow PIC and Administrative Entities to react to changes that take place unexpectedly in the service delivery area. Under certain circumstances, a shorter process would allow PICs to make changes in the local training plan to accommodate changes in the conditions within the service delivery area as well as to make adjustments as a result of changes in the regulations and/or requirements of the Department of Labor. Because of the need, at times, to make changes regarding such things as budgets and service levels, the states should be given the latitude to waive the 80-day modification process under certain circumstances. It should be left up to each state to determine when and if a shorter modification process is appropriate.

COORDINATION

A great deal of emphasis in the JTPA legislation has been placed upon coordination with other programs. Congress and/or the Department of Labor must mandate reciprocal coordination among the various federal programs making the requirements for coordination that are placed upon JTPA equally the responsibility of the programs with which JTPA is required to coordinate. In mandating this coordination, mechanisms should be created to encourage and reward the coordination but the means by which such coordination is undertaken should be left to state and local decision and discretion.

Senator SIMON. I thank you very very much. Next, John Kiley, glad to have you with us.

Mr. KILEY. I want to begin by thanking you for allowing people from Iowa to testify at an Illinois hearing.

Senator SIMON. And let me add Senator Harkin wanted his greetings extended. He was hoping to be here originally, but things got a little hectic in his schedule as they tend to do for Senators.

Mr. KILEY. Well, we are glad we can be here.

Senator, throughout this amendment process you have demonstrated genuine interest in the concerns of program participants, Private Industry Council members and others involved in job training. I will focus my comments on the following topics addressed in your proposed amendments.

No. 1, the establishment of a year round youth title. It is critical that job training programs have the ability to marshall all of their resources to address the problems faced by disadvantaged youth. In 1982 our nation faced a different set of problems and the Job Training Partnership responded to those problems. Congress can send a clear message to the employment and training community by creating a single title, it can offer truly comprehensive services to these youth. While we have been able to offer many successful programs with secondary schools and community colleges, the artificial constraints of time frames and activity limitations imposed on separate youth titles has made this job more difficult. This new approach will allow my staff to develop longer term intervention strategies to help these youth overcome serious barriers to employment.

I strongly support your recommendation that additional funds be provided for training these youth. However, in Iowa, many of their parents still need our help. Therefore, I urge you to maintain the ability of the Private Industry Council to make local resource allocation decisions.

No. 2, the age definition of youth. You recommend that the Youth Program Title serve people ages 14 through 24 rather than 14 through 21. I believe that the needs of people ages 22 through 24 would be most effectively addressed by a more flexible adult program title. While this may seem insignificant the age perception of clients, employers and trainers runs counter to the newly proposed age definition.

No. 3, the funding allocation formula. As you can imagine, this proposed amendment has stimulated much discussion with my Private Industry Council and the JTPA Directors of Iowa. We recommend the following: (A) Formulas must be based on reliable and timely data. For instance, as you have already heard, decennial census data may be reliable but it is not timely. The incidence of target groups such as economically disadvantaged should be compared on a percentage rather than actual numerical basis. The allocation formula must be straight forward so that it could be understood by Private Industry Council members, training providers and clients who are effected by funding swings; and (B) Local program managers must be able to make enrollments, staffing and contract decisions which straddle fiscal years. Funding fluctuations in excess of 10 percent seriously undermine this ability. Several areas in Iowa have experienced cuts of 35 percent or more over the last three years. My written comments include a summary sheet that describes those cuts. So I would like to make sure that you have a chance to look at that.

To insure program continuity we support a 100 percent hold harmless at the state and local levels until the 1990 census data is available. With your consideration of these concerns we can support efforts to redirect resources to where they are most needed.

No. 4. Performance standards driven by program objectives. The performance standard system introduced in the Job Training Partnership Act is an innovative approach to setting program goals and rewarding their achievement. Today's Job Training Program needs to focus on employment competencies, retention in jobs and long term earning increases. The performance standards system must target these new program goals. Private Industry Councils, local elected officials and Governors compare local programs based on these measures. We see nothing wrong with such a performance driven system provided that it rewards real performance and recognizes genuine participant accomplishments consistent with the goals of JTPA.

No. 5. Elimination of JTPA set aside funding. We support the recommendation of the JTPA Advisory Committee to replace the current set asides with a formula that distributes 5 percent of the funds to local areas. The 8 percent set aside was designed to insure that Job Training Programs coordinated their efforts with local educators. In the ensuing six years local educators have become very involved in JTPA programs. We believe that much more than 8 percent coordination is needed to get the job done. And that set asides are no longer necessary to make this happen. The concerns about anticipated reductions in services to older workers could be addressed without a separate set aside.

I want to conclude by thanking you for this opportunity. I know how difficult it is to try and form good ideas and a good public policy, and I applaud the efforts of you and your staff to improve upon the strengths of the Job Training Partnership Act. Our strength springs from strong vocal Private Industry Council. This partnership between the Private Industry Council and local elected officials and the State has been instrumental in making JTPA the most successful human resource program of its kind.

With your support and advice on the direction of the future JTPA we can continue with that successful partnership.

Thank you.

[The prepared statement of Mr. Kiley follows:]

TESTIMONY

on

PROPOSED AMENDMENTS TO
THE JOB TRAINING PARTNERSHIP ACT

Presented to

SENATOR PAUL SIMON

By

JOHN R. KILEY
DIRECTOR of JOB TRAINING PROGRAMS
EASTERN IOWA COMMUNITY COLLEGE DISTRICT

April 24, 1989

Good afternoon. I am John Kiley, the Director of Job Training Partnership Programs in Iowa Service Delivery Area IX. I want to begin by thanking Senator Simon and his staff for the opportunity to present this testimony. Throughout this legislative process Senator Simon has demonstrated a genuine interest in the concerns of program participants, Private Industry Council Members, Local Elected Officials, and others involved in the important work of Job Training Programs. I will focus my comments on the following areas addressed in Senator Simon's proposed amendments:

1. The Establishment of a Year-Round Youth Title. With the widening skills gap projected in studies such as Workforce 2000 and the Forgotten Half, it is critical that Job Training Partnership programs have the ability to marshall their diverse resources to address the problems faced by disadvantaged youth. In the early 1980's, our nation faced a different set of problems and the Job Training Partnership responded to those problems! Congress can send a clear message to the employment and training community by amending the Job Training Partnership Act so that one program Title can offer comprehensive services to disadvantaged youth. While we have been able to offer many successful programs, the artificial constraints of time frames and activity limitations imposed by the separate Titles for youth have made this job more difficult. This new approach will allow my staff and subcontractors to develop longer term intervention strategies to help youth overcome serious barriers to employment.

The new Youth Program Title should operate on the same fiscal year as the Adult Program Title (July 1 to June 30). This schedule would facilitate contracts with local secondary schools, community colleges, and private training facilities for competency-based instruction in basic skills, job keeping and vocational training.

I strongly support your recommendation that additional funds be made available for training and services to these youth, however, in Iowa, many of their parents still need our help. Therefore, I urge you to maintain the ability of the Private Industry Council to make local resource allocation decisions. We cannot allow training and services to adults to be diminished at this time in the wake of the major plant closings worker dislocations experienced by our area.

2. The Age Definition of "Youth". In your proposed amendments, you recommend that the Youth Program Title serve people ages fourteen through twenty-four rather than the current age group of fourteen through twenty-one. I believe that the needs of people between the ages of twenty-one and twenty-four can be most effectively addressed by an Adult Program Title which has the flexibility to respond to their developmental needs. While this may seem insignificant, the age perception of clients, employers and training providers runs counter to the newly proposed age definitions. It would be very difficult for us to persuade a twenty-three year old person to participate in a "Youth" Program no matter how well designed the program may be!

3. The Funding Allocation Formula. As you can imagine, one of the most talked about provisions in your proposed amendments is the provision dealing with changes in the formula used to distribute JTPA funding. As a result of discussions with my own Private Industry Council and the other JTPA Directors of Iowa, I recommend the following in revising funding formulas:

A. Formulas Must be Based on Reliable and Timely Data: To be fair in the distribution of funds, it is essential that reliable and timely data be used in the formula. For instance, the data collected in the decennial census may be reliable, but it does not satisfy any reasonable standard for timeliness. We believe that the incidence of target groups such as economically disadvantaged should be reported and compared on a percentage of population basis rather than a straight numerical basis. We recommend that programs that have different target groups should also be driven by funding formulas that recognize these differences. The allocation formula should be straightforward so that it can be understood by Private Industry Council Members, training providers, and clients affected by changes in funding levels.

B. Protection Against Major Funding Level Swings: Local program managers need to be able to make commitments which straddle JTPA fiscal years. Major enrollment, staffing and contract decisions cannot be made in an uncertain environment. Funding fluctuations in excess of ten percent can be devastating. Several Iowa Service Delivery Areas have experienced funding cuts of thirty-five percent or more over the last three years! (see attachment) To insure program continuity, we support the concept of a 100% hold-harmless at the state and local level until the 1990 census data is available. When reliable and timely data do become available, we still recommend some type of significant hold-harmless protection to mitigate funding level swings.

We believe that it makes good sense to design funding formulas in a manner that assures that employment and training resources are directed to where they are most needed. With your consideration of our concerns about reliable and timely data sources, program-specific formulae, and hold-harmless provisions, we can support changes in the JTPA funding formula.

4. Performance Standards Driven by Program Objectives. The performance standards system introduced in the Job Training Partnership Act has been hailed as a truly innovative approach to setting program goals and rewarding their achievement. With the changing economy and unemployment situation in our country, it is appropriate that the program goals for JTPA should change and that performance standards reflecting these changes should be established. As we become even more concerned about employment competencies, retention in jobs, and long term earnings increases, it is necessary for the performance standards system to target these new program goals. The JTPA system has been driven by performance standards. Private Industry Councils, Local Elected Officials, governors, and others compare local programs based on these measures. We see nothing wrong with such a performance driven system provided that this system is designed to reward real performance and recognize significant participant accomplishments consistent with the goals and objectives of the Job Training Partnership Act.

5. **The Reduction of Special Set-Asides in JTPA Funding.** We support the recommendation of the JTPA Advisory Committee to revise the current set-asides in JTPA funding and replace that system with a formula which distributes eighty-five percent of the funds to local areas and reserves fifteen percent at the state level. The eight percent set-aside was designed to assure that JTPA programs coordinated their efforts with education providers. In the ensuing six years, local educators have become very actively involved in JTPA programs. The job of preparing today's youth for tomorrow's jobs is enormous! We believe that much more than "eight percent coordination" is necessary to get the job done and set-asides are no longer necessary to encourage this type of coordination. In our Service Delivery Area we have five contracts with local secondary school districts totaling $192,000 or 47% of our youth training budget. At the post-secondary level, we are fortunate in Iowa to have the active participation of Community Colleges in federal and state job training efforts.

Concerns about reductions in services to Older Workers could be addressed without a set-aside. The current 3% system only makes for more paperwork and reporting requirements and greater difficulties in program coordination. Combining Older Worker programs with other adult programs would increase the regular Title IIA allocation without increasing the overall appropriation and simplify the service delivery system and administration. This more efficient combination of programs would enhance and expand the activities and services available to Older Workers.

6. **Strong Local Private Industry Councils.** The Private Industry Councils have contributed enormously to the success of JTPA and a great deal of this success can be attributed to the leadership of the Private Sector representatives who have served so effectively. Their contributions in the areas of program design, evaluation, and marketing have made JTPA a better program. Without their strong involvement and support we could not thrive. Any attempt to diminish the influence and representation of the Private Sector on the local Private Industry Councils should be resisted. We really appreciate your willingness to return the Chair to the Private Sector.

In areas where there is a significant local Labor and Community Based Organization presence, efforts should be made by the local Service Delivery Area staff to include representatives of these groups on the Private Industry Council. Our Private Industry Council meets the requirements you propose, not because we were mandated to do so, but because we have been working with these people all along. Federally mandated coordination is no substitute for local team-building. Much more can be accomplished through training for those areas where such coordination does not exist.

7. **Maintain the 10% Window with Only One Barrier Required.** One of the major goals of the proposed amendments is to provide training and services to those who are most in need. We believe that increasing the "Window" for non-disadvantaged individuals to 15% of program participants is inconsistent with this goal. The requirement that an individual must have two barriers to employment to be "let-in" through the Window effectively excludes handicapped persons, pregnant teens, ex-offenders and others who currently receive services through our program. We understand the intent of this two barrier requirement, but we believe one barrier is more than enough for these people who are enrolled in our programs. Some of the concerns about Window participants could be addressed by more universal definitions of terms such as "at-risk youth".

8. Changes in Service Level Requirements. The requirement to serve adult dropouts in proportion to their incidence in the population does not make sense because many of those dropouts are currently productive members of the work force and many others are in the older age groups and have retired from the work force. The adult dropout service level requirement should be removed from Title IIA and replaced with a requirement that funds be targeted to serving adults with academic deficiencies that are a substantial barrier to full, productive employment.

The service level requirement for welfare recipients under Title IIA should be changed from a requirement to serve WIN registrants to a requirement to serve AFDC recipients, thus expanding the emphasis to include more welfare recipients. This would increase JTPA's involvement in state and federal welfare reform initiatives.

9. Participant Support Issues. Allowance, stipends and bonus payments to participants who have a demonstrated and documented need should be allowable. This does not mean that Service Delivery Areas should be required to pay allowances under certain circumstances as was the case in previous employment and training programs. Instead, the need and use of such support services should be determined locally and described in the local training plan. By allowing such payments, Service Delivery Areas will be better able to serve the most in need of training.

The limitation on participant support for Title IIA should be removed. This would eliminate the need for Private Industry Councils to go through the cumbersome process of requesting waivers on the support services limitation when a certain set of conditions have been met in the Service Delivery Area. By eliminating the separate cost categories for support and training, Service Delivery Areas can determine what is the most appropriate mix of activities and services based upon other local decisions such as what groups will be targeted to receive those services. If the participant support limitation is not removed, it should be increased to twenty-five percent.

In an attempt to simplify the process of allocating costs to appropriate cost categories and eliminate an artificial distinction in work experience activities, all work experience should be chargeable 100% to training, thus eliminating the need to charge part of the work experience cost to support services.

10. Plan Modification Process. The current 80-day process required by the Act to modify local training plans is lengthy and cumbersome and does not allow Private Industry Councils and Administrative Entities to react to unexpected changes that take place in the Service Delivery Area. A shorter process would allow Private Industry Councils to make changes in the local training plan to respond to changes in local conditions and Department of Labor requirements. We believe this shorter, simpler modification process is necessary and appropriate.

11. Reciprocal Coordination Requirements. A great deal of emphasis in the JTPA legislation has been placed upon coordination with other programs. Congress and/or the Department of Labor must mandate reciprocal coordination among the various federal programs making the requirements for coordination that are placed upon JTPA equally the responsibility of the programs with which JTPA is required to coordinate. In mandating this coordination, mechanisms should be created to encourage and reward the coordination while leaving the means to local discretion.

12. Adequate Funding for Employment and Training. We want to go on record, even in this budget conscious era, expressing our support for increased investment in the human capital of this nation. Education, employment and training and other federal initiatives aimed at improving the readiness of our work force cannot fall victim to the budget. We believe that the overall funding level should be increased to enable JTPA to succeed in all that it is being asked to do, e.g. educational remediation, welfare reform, etc. An appropriate increase in the funding level combined with a more effective targeting strategy could accomplish much of what we all want the program to achieve.

I want to conclude by thanking you again for this opportunity to testify today. I understand how difficult it is to transform good ideas into good public policy and I applaud the efforts of you and your staff to improve upon the strengths of the Job Training Program. The partnership between the Private Industry Council, Local Elected Officials, and the State has been instrumental in making JTPA the most successful human resource program of its kind. With your assistance in redefining the goals of this program, our team of partners can continue to succeed. Thank you.

TITLE 2A ADULT AND YOUTH PROGRAM

PY87 - PY89 Budget Comparisons

SDA#	PY87	PY88	PY89	Loss of funds over 3 year period
1	777,792	664,249	596,019	181,773 (23%)
2	1,129,163	883,330	732,943	396,220 (35%)
3	840,902	646,133	557,090	283,812 (34%)
4	975,651	975,238	735,627	240,024 (25%)
5	675,451	534,418	453,726	221,725 (33%)
6	503,177	463,464	363,786	139,391 (28%)
7	2,031,468	2,157,299	1,582,673	448,795 (22%)
8	806,788	683,874	637,633	169,155 (21%)
9	1,850,666	1,802,530	2,171,981	+ 321,315 (17% increase)
10	1,309,964	1,086,960	899,408	410,556 (31%)
11	2,068,993	1,402,471	1,294,060	774,933 (37%)
12	602,106	469,503	401,373	200,733 (33%)
13	1,124,045	917,871	766,502	357,543 (32%)
14	378,661	320,047	261,765	116,896 (31%)
15	1,139,396	1,311,891	1,059,143	80,253 (7%)
16	842,607	827,291	910,138	+ 67,531 (8% increase)

Senator **Simon**. Thank you very very much. Ms. Young?

Ms. **Young**. Thank you for this opportunity to testify today regarding Senate Bill 543.

My name is Twila Young and I work professionally in the employment and training arena. As a consultant I assist public agencies, private non-profit organizations, labor organizations, private industry councils and JTPA staff in the planning, development and implementation of job training programs. Since July of 1988, I have had the privilege of serving as one of three labor representatives on the National JTPA Advisory Committee.

While not every member of the Committee agreed on every point in our report, Working Capital JTPA Investments for the 1990's, those issues that I will be addressing today reflect the recommendations of the committee and personal views.

First I would like to address your proposed changes in the allocation formula. As you know, the Committee recommends the type of realignment in the allocation that your amendments contain. It is, we believe, critically important for JTPA funding for Title II programs to follow the eligible population. Your proposal accomplishes this and through the use of hold harmless provisions phases the resulting changes and over a period of time that would allow states and localities to adjust to the new formula.

I would like to urge you to include in your amendments provisions including adequate funding for the development of a system that counts the number of economic disadvantaged individuals in states and localities accurately and consistently, and that is available in a more timely manner than the current 10 year census data. Such a data base is important to the fair application of the allocation formula you propose.

The second issue I would like to address is program eligibility and targeting. The committee recommended, and I fully support, the move toward a program that is more intensely targeted towards individuals who lack the basic skills necessary to enter or compete in the work place. Your increased focus including mandatory assessment of reading and math skills for all participants is an important step in that direction. I have some concern about the provision which raises the age of participation in the Youth Programs to 24. In my written testimony I include several examples of detrimental impact of raising the age to 24, but I strongly recommend that 21 years of age be the top limit for participation in JTPA Youth Programs.

Third, let me discuss performance standards. Your proposals are in general in keeping with the recommendation of the Committee and my own understanding of JTPA's role in the employment training system. I am hesitant however, to support the notion of job placement and retention among the performance standards for youth programming.

JTPA Youth Programming differs primarily from JTPA Adult Programming in that it should have a prevention rather than a remediation cast to it. In other words, our job is not to get young people into jobs as soon as possible so that they can begin receiving a paycheck. Our focus should be much longer term. We need to be providing skills that help this individual become connected to the community, understand his or her relationship to the working world and to engage in life long learning. It is through these efforts that JTPA can help insure that as an adult these young people do not return to us in need or work place remediation.

Finally, regarding performance standards I would strongly urge you to remove cost efficiency measures entirely from the performance standard incentive system. Again, in my written testimony I provide several examples of the detrimental effect of the use of cost efficiencies in performance standards. Cost efficiency measures are management tools and should be used as such. They should not be confused with the measures designed to tell us whether or not our programs are performing in a manner that moves us toward the goals of a more skilled self sufficient work force.

The fourth issue I would like to address is in the area of set asides. Perhaps the most sensitive of these is the so-called 8 percent set aside for education coordination and grants. I believe that the purpose for which the 8 percent set aside was designed was worthy, and that it deserved to be tried. However, in general the 8 percent set aside has not accomplished its purpose. It has become instead, the locust of political in-fighting, turf protection and piece meal pet projects. It is time to eliminate it.

The integration of JTPA programming and educational efforts on behalf of youth described in your newly designed Title II-B Youth Program sets a much more appropriate stage for collaboration between the JTPA system and the education system. The efforts described in the Committee's recommendations for State research demonstration, model development and capacity building, allow ample flexibility to include those effective and worthy efforts currently being funded through the 8 percent set aside.

The last issue I would like to discuss is in the area of which the Committee does not address in its recommendations, but about which I have some thoughts. This issue involves changes in the make up of the Private Industry Council. In its discussions, the Committee consistently described JTPA as having two "customers", employers and clients. It is obvious that JTPA's employer customers are well presented on the Private Industry Council through the provision that the Council be business lead and have a majority of business members. It is equally obvious to me that in order for JTPA to work its client customers must also be well represented on the PIC. Your proposal that at least 17 percent of the PIC's representation be from among organized labor, non-organized working people in areas lacking union representatives, and the community based organizations that work directly with our target populations is an important step in that direction. I urge you to hold affirm on this provision. This provision represents one of the few points in the JTPA system where the working people, whether or not they are job holders, who are directly effected by our programming have an opportunity to be represented in the policy and decision making process.

Let me close by sharing a philosophy that provided the underpinnings of the Committee's deliberations: The notion that JTPA's role to add value to the work force should not be in the business of stirring what is already there. We should not be in the business simply making the numbers work on our reports. We should be in the business of adding value to the work force. We do that in two ways. By increasing the skill level of individuals currently in the work force, and by introducing the disenfranchised and dependent into the work force. Our economy needs these people and their skills. We cannot afford to fail. The Job Training Partnership Act is sometimes called the second chance system, sometimes called the last chance system. For many Americans it is the only chance that they have to become the productive citizens that they wish to be and that our communities, our economy and our country needs them to be.

Thank you very much.

[The prepared statement of Ms. Young follows:]

TESTIMONY BEFORE THE SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY

Senator Paul Simon, Chairman

April 24, 1989
Moline, Illinois

submitted by

Twila M. Young

Thank you for the opportunity to testify before your Subcommittee in reference to the proposed amendments to the Job Training Partnership Act contained in Senate Bill 543.

My name is Twila Young, and I work professionally in the employment and training arena. As a consultant, I assist public agencies, private non-profit organizations, and labor organizations in the planning, development, and implementation of job training programs. I provide training and technical assistance to Private Industry Councils and JTPA staff on the development of employment and training policy, program strategies, and implementation.

Since July of 1988, I have had the privilege of serving as one of three labor representatives on the National JTPA Advisory Committee. This Committee, as you know, was convened by the Secretary of Labor to evaluation the first five years of JTPA, and prepare recommendations for its improvement. Our first report, WORKING CAPITAL, JTPA Investments for the 1990's, was released in March of this year. We are currently working on a second report which will address coordination of the JTPA system with education, job training efforts within welfare reform, and other Department of Labor training and employment programs.

While not every member of the Committee agreed on every point in our report, those issues that I will be addressing today reflect both the recommendations of the Committee, and my personal views.

I would like to address five specific issues dealt with in the S. 543 proposed amendments: The allocation formula, program eligibility and targeting, performance standards, setasides and the in-state distribution of funds in general, and changes in the make-up of the Private Industry Council.

But before I begin on that list, let me first say that I am delighted to read the description of the newly create youth title proposed in S. 543. While there is wide-spread concern at present about youth at risk of educational and workplace failure, there is less consensus on the appropriate approach to ensuring success for these young people. The solutions needed to effectively address to needs of this significant population are as complex as the individuals who comprise the group.

I support wholeheartedly the approach outlined in your amendment, and want to particularly highlight two elements that I believe will help make JTPA youth programs more effective for youth at risk of educational and workplace failure.

First is the broad spectrum of activities available to JTPA program operators. In particular, I applaud the addition of "parenting skills" and "mentoring" to this list. Until we aggressively address the need to teach parenting skills to young parents, we will never effectively break the cycle of risk that is causing a growing number of our youth to spiral into poverty, disconnection and dependence. Further, I believe that mentoring is a particularly important approach not only to teaching life and job skills, but also to developing connection with the community. Study after study shows that the main reason that young people drop out of school is that they feel no connection with an adult who cares about them. Mentoring is a valuable tool that can be used to establish that connection between a young person at risk and an adult that cares about them as an individual.

Second, your proposed year-round programming for youth at risk describes an important connection between the educational system and the JTPA system. The type of collaboration you describe is of a kind seldom seen in JTPA youth programming. While it is not proscribed, and indeed some JTPA youth programs work quite closely with schools, this type of relationship is not common, and not particularly valued within either the JTPA system or the educational system. Your proposal would formalize, system-wide, the type of collaborative programming that a few communities have conducted to the significant benefit of young people.

Now, let me comment on some other items included in S. 543.

First, I would like to address your proposed changes in the allocation formula. As you know the Committee recommends the type of realignment in the allocation that your amendments contain. It is, we believe, critically important for JTPA funding for Title II programs to following the eligible population. Your proposal accomplishes that, and, through the use of hold harmless provisions, phases the resulting changes in over a period of time that would allow states and localities to adjust to the new formula.

I would like to urge you to include in your amendments provisions, including adequate funding, for the development of a system that counts the number of economically disadvantaged individuals in states and localities accurately and consistently, and that is available in a more timely manner than the current ten-year census data. Such a data base is important to the fair application of the allocation formula you propose.

The second issue I would like to address is program eligibility and targeting. The Committee recommended, and I fully support, the move toward a program that is more intensely targeted toward individuals who lack the basic skills necessary to enter or compete in the workplace. The increased focus, including mandatory assessment of reading and math skills for all participants is an important step in that direction.

I have some concern about the provision which raises the age for participation in youth programs to 24. While it is true that many young adults aged 22 through 24 need the type of comprehensive, life skill development assistance that we typically associate with youth programming, I believe that raising the age poses a larger danger. Youth programming generally entails a more subjective evaluation of the client's needs and more prevention-oriented, life-skill development program strategies. These are appropriate for youth. However, we have seen some programs which, as a matter of course, meet their current requirement to spend 40 percent of their Title II-A funds on youth simply be enrolling large numbers of 19, 20, and 21-year olds, who are technically youth but not particularly at risk, in essentially adult job training classes. With the age limit raised another three years, the program becomes even more liable to this abuse.

I strongly recommend that 21 years of age be the top limit for participation in JTPA youth programs.

Third, let me discuss performance standards. You proposal to encourage and reward, through performance standards and incentives, those programs which seek out and serve the "most-in-need", or the "hard- to-serve", are, again, in keeping with the recommendation of the Committee, and with my own understanding of JTPA's role in the employment and training system.

I am hesitant to support the notion of job placement and retention among the performance standards for youth programming. I would refer you to the Committee's recommendation Number 14: I am quoting here, "Performance measures for youth should include the acquisition of work-related competencies, school completion, and entry into advanced training, education or employment." End of quote. The Committee goes on to say that for in-school youth, the employment measure is appropriate only after graduation, and that for out-of-school youth, our primary effort should be toward encouraging and assisting the client toward acquiring education.

JTPA youth programming differs primarily from JTPA adult programming in that is should have a prevention, rather than a remediation, cast to it. In other words, our job is not to get young people into jobs as soon as possible so that they can begin receiving paychecks. Our focus should be much longer term. We need to be providing skills that help this individual become connected to the community, understand his or her relationship to the working world, and to engage in life-long learning. It is through these efforts that JTPA can help ensure that this young person does not return to us as an adult in need of workplace remediation.

Finally, regarding performance standards, I would strongly urge you to remove cost efficiency measures entirely from the performance standard/incentive system. While it is obviously important for program operators to know how much they are spending to accomplish a given outcome, the distribution of incentive awards based on cost efficiencies sends entirely the wrong signal to the system. It appears to tell the system that a "cheaper" outcome is necessarily a "better" outcome. The evidence is clearly to the contrary. Let me use two perspectives on this issue to describe my point.

First, assume that we spend $1200 placing a relatively newly unemployed individual who would likely have gotten another job anyway in the next few months. Assume, as well, that we spend $8,000 placing a long-term welfare recipient with children who would likely not have mounted a job search without JTPA. The $1200 placement appears to be more "cost-effective", but in fact the $8,000 placement represents a much greater benefit to the "system" and the larger community by removing a long-term welfare recipient from dependence. So called "cost efficiency" performance measures force service providers to ignore this.

Let me describe this from another angle. We use the term "cost per placement" rather loosely. We in fact do not measure the "cost per placement". What we measure instead is the "JTPA expenditure per placement". This JTPA expenditure may be high because there are few other resources in a community and JTPA funds must be spent to meet a wide variety of needs. Or, it may be high because a service provider is inefficient. Our performance system does not tell us which. The JTPA expenditure may be low because a service provider is particularly skilled at identifying community resources, creating collaborative arrangements, and leveraging other funds. Or it may be low because the program provides superficial services to essentially job-ready, non-needy clients. Our performance system does not tell us which.

Cost efficiency measures are management tools, and should be used as such. They should not be confused with the measures designed to tell us whether or not our programs are performing in a manner which moves us toward the goals of a more skilled, self-sufficient workforce.

The fourth issue I would like to address involves set-asides and the in-state distribution of funds in general. In this area, the Committee recommendations, which I fully support, go much further than your proposals, and I would urge you to consider re-writing the amendments to more closely reflect the Committee's recommendations.

In the area of set-asides, perhaps the most sensitive is the so-called 8% set-aside for education coordination and grants. I believe that the purpose for which the 8% set-aside was designed was worthy, and that it deserved to be tried. However, in general, the 8% set-aside has not accomplished its purpose. It has become, instead, the locus of political in-fighting, turf-protection, and piecemeal pet projects. It is time to eliminate it. The integration of JTPA programming and educational efforts on behalf of youth described in your newly designed Title II-B youth program sets a more appropriate stage for collaboration between the JTPA system and the educational system. In addition, the efforts described in the Committee's recommendations for state research, demonstration, model development and capacity building, allow ample flexibility to include those effective and worthy efforts currently being funded through the 8% set-aside.

The Committee further suggests that a simpler system of state-local division of funds be established. This system would involve the distribution of 85% of all Title II funds, youth and adult, to localities, and the retention at the state of the remaining 15%. This 15% would be used for technical assistance, research and demonstration, capacity building and management.

Finally, the Committee suggests that the tightening of eligibility and the focusing of performance standards on program goals require a concurrent increase in flexibility at the local level in program decisions. In order to accomplish this, the Committee suggests that three cost categories currently being used, administration, support and training, be restructured into two: management and services. We recommend that the management category, including what is now considered administration, be increased to 20%, in part to allow administrative entities to be more realistic in the amount of management funds they pass through to service providers. The Committee recommends that the 80% for services be used at the locality's discretion for those services now identified as support and training.

The last issue the I would like to discuss is an area which the Committee does not address in its recommendations, but about which I have some thoughts. This issue involves changes in the make-up of the Private Industry Council. In its discussions, the

Committee consistently described JTPA as having two "customers": employers and clients. It is obvious that JTPA's employer customers are well-represented on the Private Industry Council through the provision that the Council be business-led and have a majority of business members. It is equally obvious to me that, in order for JTPA to work, its client customers must also be well-represented on the PIC. Your proposal that at least 17% of the PIC's representation be from among organized labor, non-organized working people in areas lacking union representatives, and the community-based organizations that work directly with our target populations is an important step in that direction. I urge you to hold firm on this provision. This provision represents one of the few points in the JTPA system where the working people, whether or not they are job holders, who are directly affected by our programming, have an opportunity to be represented in the policy- and decision-making process.

In summary, let me briefly applaud the Youth Employment and Training Challenge Grant proposal contained in S. 543. This undertaking represents an aggressive, innovative, collaborative effort which can stimulate a genuinely integrated approach to the multi-faceted problems faced by youth at risk of educational and work place failure. The notion of youth programming consortia is, I believe an effective approach to integrated planning and program delivery.

Let me close by sharing the philosophy that provided the underpinnings of the Committee's deliberations: the notion that JTPA's role is to add value to the workforce. We should not be in the business of stirring what is already there. We should not be in the business of making the numbers work on our reports. We should be in the business of adding value to the workforce. We do that in two ways: by increasing the skill level of individuals currently in the workforce, and by introducing the disenfranchised and dependent into the workforce. Our economy needs these people and their skills. We cannot afford to fail. The Job Training Partnership Act is sometimes called the second chance system, sometimes called the last chance system. For some Americans it is the only chance they have to become the productive citizens that they wish to be and that our communities, our economy and our country needs them to be.

Thank you very much.

Senator SIMON. Thank you very very much, all three of you for your testimony.

You mentioned, Ms. Mohr, in your testimony that sensitivity in welfare recipients, how does it work in Iowa and the places that the three of you are familiar with? Is there coordination? We have a representative from the Welfare Group here on the Local PIC Council, is there adequate representation, is there coordination? If I could ask all three of you?

Ms. MOHR. I would certainly say there is, Senator Simon. We work very closely with the SDA's and we have good coordination with the 16 in Iowa.

Mr. KILEY. Within our area the local, the District Administrator for the Department of Human Services which administers all programs for welfare recipients has been a member of our Council since 1982 or since 1983 when the Council was formed. We also formed, more recently, a local project promise advisory committee task force that deals with the states initiative upon welfare reform. And my Associate Director, Kathy Andrews, is the Chairperson of that local task force. It includes representatives from Human Services, Employment Services, local education community groups and Welfare Rights Advocates too, community agencies that are advocating for welfare recipients. I think that those kinds of initiatives can happen. I am not sure whether they need to be mandated or not, but I think that they can happen if the right climate is there in that area.

Ms. YOUNG. I think that it is clear that there is a wide variety of the depth of coordination. In some areas, there is very close coordination people work together, they communicate about programs, about resources, about clients. It is very clear that in some areas that is very effective. It is equally clear to me in other areas it happens almost not at all, and I think it depends largely on the individual people who are in those positions, in those different areas. And I think that given the welfare reform initiatives and the importance that job training is playing in that arena that is becoming more and more important that we have some kind of systematic consistent coordination so that we can measure that and tell whether it is happening, and identify ways to help make it happen in those areas where it is not.

Mr. KILEY. I would like to add something to that. Our local private industry council members are very concerned as taxpayers about duplication in Government programs. And they started out in 1983 saying the first thing we want you to do is start working with each other, if you are not already doing that, and in our case we were, and to make sure that you are not duplicating each other's efforts. And I think if you have a strong local Private Industry Council with that orientation many of the members, especially the private sector members, have that orientation. Then the only other thing you need to do is to bring those people to the table and make sure that they are there at the Private Industry Council meeting where you are discussing local employment and training programs. And we have had them there since 1983, much like the Illinois program has.

Senator SIMON. I believe all three of you mentioned this, the problem of dealing with a census that is old. You understand our problem also. Do you have any suggestions as how you can deal with this problem because the unemployment rate simply do not count a lot of people, any suggestions?

Mr. KILEY. One of our concerns in Iowa is that if a system is developed which counts the numerical, the actual number of economically disadvantaged individuals, the State of Iowa and other small states, smaller states in terms of population will tend to suffer. We think that at least one of the factor ought to be the percentage of economically disadvantaged residents in a community because that really gives a better picture of what that community is going through. Rather than they have 100 people who are economically disadvantaged. Well, if the community has only got 200 people, then that is a significantly needy community and we think that that needs to be considered. We have talked about reliable sources of data and I am not sure that there are many, that all states can agree on, and that might be the biggest problem we have talked about. Trying to generate data from applicants that we have currently coming into our program, but there is all kinds of ways that those numbers can be askewed and misunderstood.

We think that some money could probably be appropriated to make sure that there is an adequate formula and adequate data on which to distribute the funds. It is that important that it would be worth the investment to make sure that that is a fair system.

Senator SIMON. Your suggestion is percentages. I think we maybe should consider that. I notice that two of you differ substantially on the age question. Give me——

Ms. YOUNG. I think we did not.

Ms. MOHR. Mine was 14 to 21 for the youth, and certainly those beyond should be——

Senator SIMON. I thought, Mr. Kiley—you are all saying 14 to 21?

Ms. YOUNG. Yes.

Ms. MOHR. I have a comment on the economically disadvantaged data. First of all, the notion of the percentage within the total population I think is a real valuable concept to work with. The committee discussed this long and hard. We had lots of discussions about what kinds of data to use, and the problem appears to me, and I am not an expert in this field. But the problem appears to me to be the consistency of the data, not the availability of it. That different areas measure this differently and that that is a real problem. But the three types of data that we talked about using as proxies for, and they are not an absolute count of the number of disadvantaged individuals but could serve as proxies for that, are the Chapter 1 data, the data that is used to identify Chapter 1 schools, the number of young people who are getting free lunches, and ADC data. Now, those all are tied to kids. They are all tied to families that have young people in them, but they are much more current and they also get at this notion of families that are involved in economic disadvantaged. And we would encourage that you look at those, and also begin as John said, I think it is important to understand that we are going to have to finance some way to develop a system to count this in a more timely fashion.

Senator SIMON. We will take a look at that. Another thing that we are suggesting here is the 100 percent hold harmless for state and 90 percent for local areas, so that there would not be severe damage then to any area.

Mr. KILEY. If I could just respond to that. The table that is included in my written testimony indicates that, I do not know why they had me come and present this. I am the only service—one of two in the state that has actually had an increase in the last three years, but the balance of the State of Iowa has had a severe cut in its funding and if we went to that 100 percent at the state level and 90 percent at the local level those areas might be put out of business in the sense that they could no longer offer a locally based program. We have 16 service delivery areas in the State of Iowa, and I think it might be very difficult for us to deliver services to clients if we had to cut that number say to 10 or 9 service delivery areas. The things would just be too far spread.

Senator SIMON. But if in fact you had a 90 percent hold harmless before they would be, which we have not had, but any of these areas could not be cut more than 10 percent.

Mr. KILEY. In the State of Iowa we have had that, but what they have used for data is an average of the last two years. And so you wind up with some compounding going on and several areas have been cut 35 percent or more in just the last three years. And they are at the point of questioning whether they can remain viable in terms of providing services and having adequate outreach. We are at that point right now, another cut might mean you would be talking to nine service delivery areas in Iowa rather than 16.

Senator SIMON. And in terms of having nine service delivery areas instead of 16 strikes me as not necessarily intrinsically wrong. In other words, maybe the nine can do the job better than 16. I do not know.

Mr. KILEY. I think that local base of employers really makes a difference. I have a five county service delivery area. It is one of the smaller in terms of the numbers of counties, and within the State of Iowa there are some that have twice as many counties. We have 99 counties in Iowa, the last time I checked. And so it is an awful lot of counties to get into 16 service delivery areas, an average of six or more. And I think that at some point you lose that local base, especially when you have Private Industry Council members traveling more than 100 miles to come to a meeting. That could hurt.

Senator SIMON. We thank you, and we thank all of our witnesses and we thank all of you for your interest and concern. There just is no question, the more people like all of you who make your input it helps, putting together legislation is like putting together a mosaic. It takes a lot of little pieces and you have helped in that and we thank you very much.

[Additional material supplied for the record follows:]

RECEIVED
APR 21 1989
EXECUTIVE VICE-CHANCELLOR

April 19, 1989

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Des Moines
Iowa 50314

515 · 245 · 7800

James D Underwood
Executive Director

Dr. Charles Laws
Building 1
Room 226
Black Hawk College
660 - 34th Avenue
Moline, Illinois 61265

Dear Dr. Laws:

Please find enclosed with this letter correspondence I have directed to Senator Paul Simon dated April 19, 1989.

I would appreciate my letter to Senator Simon being included in the record of the Subcommittee on Employment and Productivity hearing on April 24, 1989 on S.543, even though I will not be able to be present.

Thank you very much for your assistance.

Sincerely yours,

James D. Underwood
Executive Director

JDU/lh
Enclosure

IOWA
COMPREHENSIVE
HUMAN SERVICES

1111 Ninth Street
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James D Underwood
Executive Director

April 19, 1989

Senator Paul Simon
644 Dirksen Building
Washington, D.C. 20510

Dear Senator Simon:

I commend you for introducing your bill to amend the Job Training Partnership Act, S543. Through my work I have been involved in the various employment and training programs for 22 years, and have not been particularly enthusiastic about JTPA until I had the opportunity to review your proposed amendments.

I am very pleased that your proposals recognize that training disadvantaged persons with multiple barriers requires longer term services than are currently allowed under JTPA. Further by redefining performance standards you take into account the additional time, expenses and risks involved with serving this population.

I would hope that new legislation would also recognize the benefits of early intervention in youth lives by establishing the very important work ethic. Many times young people are unsure about future careers; however, the meaningful employment can be inculcated in 14 and 15 year olds. It is my understanding from the review of your proposed bill that 14 and 15 year olds could continue to participate "in the summer program" or receive pre-employment skills training under the exemplary program, but could not otherwise participate. I believe that this legislation should be inclusive rather than exclusive, and the definition of the term "economically disadvantaged" which specifies youth 16 through 24 year olds **should be amended to include 14 and 15 year olds when the local plan so allows.**

An area which currently plagues program operations is the distinction between "support" and "training" funds. I suggest that this distinction be eliminated by having **only two cost centers, that is administration and training.** The current system is arbitrary and is not always in the best interests of the clients we are to serve. By removing this distinction not only is bureaucracy reduced but the appropriate services are more readily assured.

The following areas I wish to comment on are ones which your bill does take into consideration; however, I feel they do need to be emphasized. Community based organizations most often are entities which are closest to disadvantaged people and can provide the best services at the lowest cost to the government. The current law at Section 107(a) states that "The primary consideration in selecting agencies or organizations to deliver services within a service delivery area shall be the effectiveness of the agency organization in delivering compatible or related services based upon demonstrated performance in terms of likelihood of meeting performance goals, cost, quality of training, and characteristics of participants. **In complying with this subsection, proper consideration shall be given to community base organizations as service providers.**

Many times JTPA Administrative Entities choose to overlook community based organizations as service providers--though they allow them at times to bid on programs and therefore believe that they have provided "proper consideration." The law needs to be more explicit and require that community base service providers shall be given extraordinary consideration due to their demonstrated expertise in assisting disadvantaged youth and adults in employment and training programs.

The various jurisdictions have, under the current JTPA, vacillated in allowing handicapped youth, as specified in your Section 11, Limitations, to be automatically eligible for services. This handicapping condition should be clearly prima facie determinate that when the handicap is attested to by a recognized expert it is the basis for eligibility, and that the income test need not be applied. Many parents are aware that their child is eligible for services due to his or her handicap, but when service deliverers are forced to inquire as to the family's income, many awkward situations are encountered. This need not be the case if it is understood that the handicap makes the youth eligible.

Thank you very much for your consideration of my views and I will be asking our State's Senators to join you in supporting and sponsoring this bill.

Sincerely yours,

James D. Underwood
Executive Director

JDU/lh

Peter Johnson

DRAFT

JTPA 8% FUNDS

REPORT 15

ILLINOIS COUNCIL ON VOCATIONAL EDUCATION
1987-1988

This report is one in a series of 25 technical reports prepared to fulfill mandates of the Carl D. Perkins Vocational Education Act, 1984.

TECHNICAL REPORTS
1987-1988

Technical reports of the Illinois Council on Vocational Education in this series designed to fulfill the requirements of the Carl D. Perkins Vocational Education Act, 1984 include:

Report 1 ICOVE's REVIEW OF THE STATE PLAN FOR IMPLEMENTING EDUCATION FOR EMPLOYMENT IN ILLINOIS FY 89-90

Report 2 DIALOGUE WITH EDUCATIONAL LEADERS: IMPLICATIONS FOR POLICY

Report 3 ADVICE TO THE PRIVATE SECTOR

Report 4 DISTRIBUTION OF VOCATIONAL EDUCATION FUNDS

Report 5 ACCESS OF TARGETED POPULATIONS TO QUALITY VOCATIONAL EDUCATION

Report 6 EVALUATING VOCATIONAL EDUCATION PROGRAMS IN ILLINOIS

Report 7 PRIVATE-SECTOR INVOLVEMENT IN VOCATIONAL EDUCATION

Report 8 IMPROVING VOCATIONAL EDUCATION QUALITY

Report 9 ACADEMIC FOUNDATIONS AND APPLICATION OF TECHNOLOGY

Report 10 REDUCING THE LIMITING EFFECTS OF SEX-ROLE STEREOTYPING

Report 11 PREPARING AND MAINTAINING WORKERS

Report 12 SERVING ECONOMICALLY DEPRESSED AREAS

Report 13 SUPPORT SERVICES FOR STUDENTS

Report 14 CONSUMER AND HOMEMAKING EDUCATION

Report 15 JTPA 8% FUNDS

Report 16 ADEQUACY AND EFFECTIVENESS OF JTPA

Report 17 PERCEPTIONS WHICH AFFECT COORDINATION BETWEEN JTPA AND VOCATIONAL EDUCATION

Report 18 TECHNICAL COMMITTEES AND ILLINOIS CURRICULUM

Report 19 EDUCATION FOR EMPLOYMENT: WHAT'S WORKING? WHAT'S NOT? (Public Hearings Report)

Report 20 PROGRESS TOWARD IMPLEMENTATION OF THE EDUCATION FOR EMPLOYMENT POLICY (A Survey Report)

Report 21 REGIONAL DELIVERY SYSTEMS: OPINIONS EXPRESSED BY BOARD MEMBERS AND ADMINISTRATORS (A Survey Report)

Report 22 EFFECTS OF THE ICOVE 1986-87 STUDY OF THE COORDINATION OF JTPA AND VOCATIONAL EDUCATION

Report 23 PERCEPTIONS RE: ADEQUACY AND EFFECTIVENESS OF JTPA AND V.E. PERKINS ACT PROGRAMS IN ILLINOIS

Report 24 THE IMPACT OF STATE POLICY AND PRACTICES FOR EDUCATION FOR EMPLOYMENT

Report 25 CORRECTIONAL EDUCATION: A WAY TO STAY OUT (sub series)
- Monitoring and Evaluating the Services for Correctional Inmates (25A)
- Recommendations for Illinois with Supporting Statements (25B)
- Recommendations for Illinois and a Report of the Anderson Study (25C)

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DATE: March 8, 1989

TO: Governor James R. Thompson
Lauro Cavazos, Secretary of Education
Elizabeth Dole, Secretary of Labor
Illinois State Board of Education
Illinois Job Training Coordinating Council

This report provides the Illinois Council on Vocational Education's review of the JTPA 8% education funds as administered by the Illinois State Board of Education and the Illinois Community College Board. We (ICoVE) have synthesized the information regarding the 8% education and coordination funds as it relates to our responsibilities for education and success in meeting the Act.

Our recommendations have addressed the enhancement of programs, services and activities available through the 8% education funds.

ICoVE found that the 8% of the Title IIA funds have done much to provide needed services by participants through cooperative agreements between state and local educational agencies, community based organizations, and service delivery areas.

These agencies are to be commended for their focus on funds for the educational aspects related to employment preventing dropouts, returning dropouts to school, improving academic and employability skills of the disadvantaged, and assisting the unemployed and underemployed.

ICoVE encourages the expansion of the services provided through the 8% funds. The state needs to address flexibility of 8% funds so that the innovation of dropout programs and other new approaches to the 8% funding can be followed. This will make it possible for SDA Private Industry Councils, as well as the state and community-based organizations presently administering 8% funds, to provide services to many more eligible clients.

Again we commend all those who have done so much for so many with the 8% funds provided through the Job Training Partnership Act.

Sincerely,

Ronald C. Morehead

Ronald C. Morehead

Investing in People

An Equal Opportunity Employer

REPORT 15

JTPA 8% FUNDS

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1987-1988

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PREFACE

The Carl D. Perkins Vocational Education Act of 1984 requires the Illinois Council on Vocational Education to evaluate (every two years) not only programs carried out under the Perkins Act, but also programs carried out under the Job Training Partnership Act. More specifically, the Act states that the Council shall:

> *evaluate. . .program delivery systems assisted. . .under the Job Training Partnership Act, in terms of. . .adequacy and effectiveness in achieving the purposes. . .. [Section 112 (d) (A) (1)]*

The Act goes on to state that the Council shall, "advise the governor, the State board, the State job training coordinating council, the Secretary [of Education], and the Secretary of Labor of these findings and recommendations."

The purpose of the Job Training Partnership Act (JTPA) as stated in Section 2 of that Act is to

> *establish programs to prepare youth and unskilled adults for entry into the labor force and to afford job training to those economically disadvantaged individuals and other individuals facing serious barriers to employment, who are in special need of such training to obtain productive employment.*

The JTPA provides 8% of the Title IIA funds to be used for State Education and Coordination Grants. The purposes of these funds, as stated in Section 123 (a) (1) and (2) of the Act are to

> *provide services for eligible participants through cooperative agreements between such State education agency, or agencies, administrative entities in service delivery areas in the State, and (where appropriate) local educational agencies; and*
>
> *facilitate coordination of education and training services for eligible participants through such cooperative agreements.*

This report provides ICoVE's review of the JTPA 8% education funds as administered by two State education agencies: the Illinois State Board of Education (ISBE) and the Illinois Community College Board (ICCB). In addition, a composite of the 8% participation and outcomes is included.

Data used in this report were obtained from the JTPA management information system's on-line summary reports, as well as from annual reports and data tables made available from the 8% grantees. Other resource documents are listed at the back of this report.

In addition, members of ICoVE who have been actively involved in JTPA programs at the local and state levels gave their expertise. Several members of ICoVE work with local JTPA contracts and several participate with the Illinois Job Training Coordination Council (IJTCC) activities and serve on IJTCC committees. Several are members of Private Industry Councils (PICs).

The report attempts to synthesize information regarding the 8% education and coordination funds as it relates to the Council's responsibility to evaluate the system and its success in meeting the Act.

Other reports concerning JTPA are included in ICoVE's series of Technical Reports.

Report 16: Adequacy and Effectiveness of JTPA (includes Title IIA [youth and adult and older individuals], Title IIB [summer youth] and Title III [dislocated workers])

Report 17: Perceptions Which Affect Coordination between JTPA and Vocational Education

Report 22: Effects of the ICoVE 1986-87 Study of Coordination of JTPA and Vocational Education

In addition, other ICoVE reports in the series reference JTPA initiatives which are conducted in conjunction with vocational education initiatives.

In preparing this report, ICoVE used unpublished reports of the Illinois State Board of Education and the Illinois Community College Board pertaining to the 8% JTPA programs administered by the two Boards. The on-line summarization reports of the Department of Commerce and Community Affairs provided additional information regarding participant characteristics and termination status. Use of the data in analysis and the display of the information are ICoVE's.

AN OVERVIEW OF SIMILARITIES AND DIFFERENCES BETWEEN ISBE AND ICCB 8% PROGRAMS

The 8% funds designated to state education agencies to provide services to eligible participants and coordination of services among the various providers are administered by ISBE and ICCB, 75% and 25% respectively. Programs and activities designed by the two agencies fulfill different functions. Characteristics of participants served differ, as do the results of the programs. Differences in many instances reflect the level of instruction, populations served, and type of service provided. Highlights of similarities and differences are listed below.

- ISBE programs served 5,631 or 66%; ICCB programs served 2,906 or 34% of all 8% participants.
- ICCB program participants are 83% adults and 17% youth, as compared to ISBE participants which are 43% adults and 57% youth.
- Over half (53%) of the ISBE participants are minority, as compared to 31% of the ICCB participants.
- ICCB served single heads of households and displaced homemakers at a rate twice as great as did ISBE; ISBE served teenage parents at a rate two times that of ICCB.
- Nearly 4 out of every 10 ISBE participants were dropouts, as compared to 2½ out of every 10 ICCB participants.
- ISBE participants were two times more likely to be handicapped than were those of ICCB.
- The percent of at-risk populations terminating the ISBE programs to be tended in the 60%-low 70% range; those terminating ICCB programs tended to be in the high 70%-low 80% range.
- The percentage of economically disadvantaged participants (as designated by characteristics such as AFDC, WIN, welfare, food stamps recipients) for ICCB participants tended to be 15% higher in most categories than for ISBE participants.
- Overall, ICCB had 94.4% of the participants who were disadvantaged; ISBE had 92.6%. Both exceeded the 75% minimum required rate.
- ICCB spent 13% of the 8% funds on administration; ISBE spent 9.7%.

- ICCB costs per participant were 65% of those of ISBE. The ICCB cost per entered employment was 60% of the ISBE cost.

- ICCB spent 86% of its grant award in '88 and 76.4% of its grant award in '87. ISBE spent 85.2% in '88 and 97.7% in '87.

- The "youth entered employment" rate of ISBE was 33%, as compared to ICCB's 23%.

- The combined youth and adult "entered employment" rate for ICCB was 26%, compared to ISBE's 25%.

- ISBE adult participants averaged $5.66 per hour wages at placement; ICCB adults averaged $5.11 per hour.

- ICCB youth participants averaged $4.27 per hour wages at placement; ISBE youth averaged $4.09.

- The average wage at placement for all ISBE participants was $4.95; ICCB average wage was $4.89.

- ICCB contracted 97% of its programs through community colleges. Only two contracts were issued to service providers other than community colleges.

- ISBE contracted with 8 different types of service providers, with 33% being the largest percent of any one type. These included public school districts, EFE regional delivery systems, community college districts, AVCs, universities, ESRs, special education districts, and CBOs.

- Over 92% of the community colleges participate in 8% programs, as compared to less than 10% of the public school districts; 10% of the RDS's; less than 10% of the AVCs; and 12% of the ESRs.

- Two of the three community colleges not participating in ICCB programs participate in ISBE programs, bringing the total participation rate to 97.4%.

- Twenty-six percent (26%) of the ICCB participants "remain a current participant," as compared to 17% of the ISBE participants.

- Forty-two percent (42%) of the ISBE youth who terminated did so with a "youth employability enhancement," as compared to less than 1% of the ICCB youth.

- "Other terminations" (such as left program before completion, left without fulfilling success measures, or left with no follow-up information) accounted for 32% of the ISBE terminations and 61% of the ICCB terminations.

- ISBE provided academic and remedial education to 56% of its participants, as compared to 24% of the ICCB participants (ICCB provided no remedial with the 8% funds.)
- ISBE provided vocational training to 31% of the participants, as compared to ICCB's 23%. ISBE offered vocational exploration to 5%; ICCB did not provide this activity.
- ICCB provided employment and training services to 63% of its participants, as compared to ISBE's 12%.
- Services only were provided to 47% of the ICCB participants and 11% of the ISBE participants.
- Private-sector on-the-job training was used by both ISBE and ICCB for less than 8% of the participants.
- Thirteen percent (13%) of the ICCB terminees continued full-time in school or transferred to another JTPA program, as compared to 7% of the ISBE participants.

ACRONYMS AND DEFINITIONS

CBO = Community-Based Organization
CIS = Career Information System
DCCA = Department of Commerce and Community Affairs
EFE = Education for Employment
ESR = Educational Service Region
ICCB = Illinois Community College Board
ICoVE = Illinois Council on Vocational Education
IOICC = Illinois Occupational Information Coordinating Committee
ISBE = Illinois State Board of Education
JTPA = Job Training Partnership Act
LMI = Labor Market Information
OIS = Occupational Information System
OJT = On-the-Job Training
PIC = Private Industry Council
RDS = Regional Delivery System
SDA = Service Delivery Area

Adult = individuals 22 years or older

FY 87 = PY 1986; FY 88 = PY 1987 (FY = Fiscal Year; PY = Program Year)

Termination = Left program or activity regardless of reason, during the program year

Youth = individuals age 14-21 years

Youth Positive Termination = Youth who terminate for one of the following reasons:

- entered another training program (not Title II)
- completed program objectives, other than unsubsidized employment
- completed major level of education (such as grade school, high school, GED, or diploma, certificate or degree program
- attained youth competencies as defined by local PIC
- obtained unsubsidized employment

JTPA'S 8% STATE EDUCATION AND COORDINATION GRANTS

Under the Job Training Partnership Act, eight percent (8%) of the Title IIA state allotment must be designated by the Governor for assisting state educational agencies to accomplish two major goals (see Figure 1). The Act further designates that 80% of the funds must be used to provide services to eligible participants and 20% used to provide coordination of the services.

8% Goals

80%	**Provide services for eligible participants through cooperative agreements between state education agencies, service delivery areas, and local educational agencies.**
20%	**Facilitate coordination of education and training services for eligible participants through cooperative agreements.**

Figure 1: Use of 8% JTPA funds to state educational agencies to fulfill goals.

The 8% JTPA funds must be matched by state and/or local funds and 75% of the participants served must be economically disadvantaged.

Funds are allocated to recipients in one of three ways:

- Requests for proposal, competitive proposals designed to fulfill specified purposes;
- Continuation of successful ongoing programs, with contracts negotiated annually;
- Formula allocation to determine the grant award.

SERVICES

The Illinois Job Training Coordinating Council (IJTCC) and its policy committee review and approve the 8% activities and funding levels. The administrative entity of the service delivery area (SDA) signs off on local plans for use of the funds at the local or regional level.

As provided by the JTPA, 8% funds are used to provide five major services which contribute to attaining the two goals set forth for the 8% funds. Highlights of these services are stated in Figure 2.

- **Participant Services (education and training services to youth and adults)**
  - **Assessment**
  - **Remedial education**
  - **Basic academic education**
  - **Pre-employment training**
  - **Occupational skill training**
  - **Vocational education**
  - **OJT/work-site training**
  - **Employability skills**
  - **Providing new employees to new and expanding business**

(cont'd)

- **Employment Generating Services (expansion of job awareness and opportunities, including business creation and expansion)**
    - Labor market information
    - Forecasts of job skills
    - Labor market analysis
    - Consultant services
    - Community profiles
    - Business assistance centers
    - Procurement centers

- **Partnership Service (promotion of partnerships between education and the private sector)**
    - Create partnerships
    - Encourage resource sharing
    - Promote private sector as a place for learning

- **Coordination Services (enhancing state and local coordination)**
    - Resource efficiency
    - Reduction of unnecessary duplication
    - Enhancement of planning
    - Full range of participant services

- **Administrative and Technical Assistance Services (providing funds for agency operations)**
    - Administration of funds
    - State-level planning and coordination
    - Assistance to programs

Figure 2: Services provided to accomplish goals of the 8% JTPA funds

ADMINISTRATION

In Illinois, the Illinois State Board of Education (ISBE) administers 75% (or approximately $7,500,000) of the "8% funds" and the Illinois Community College Board (ICCB) administers 25% (or approximately $2,500,000). Illinois received a total of about $10,000,000 for FY'88 activities. (During FY 87, the total 8% funds were approximately $8,000,000.)

The two state agencies provide technical assistance to the programs they administer. Neither agency operates its own programs. Private Industry Councils (PIC), in cooperation with the local elected officials (LEO) in each SDA, review and sign off for program operation in their own area.

CHARACTERISTICS OF PARTICIPANTS

Nearly 93% of the 8,537 8% program participants were economically disadvantaged. Youth (ages 14–21) made up 43.4% (3,701) of the participants. Of the 4,836 adult enrollees (56.6%), 150 were over age 55, representing 1.8% of the total participants.

During 1988, 71.4% of the 8% participants were new to the program; 28.3% were continuing from the previous year; and less than 1% transferred into the program from other JTPA programs.

Several criteria are used to assess the economic status of applicants to determine eligibility and to assure service to those most in need. Eligibility of clients in other programs such as aid to families with dependent children, food stamps, and welfare assistance are examples. The 8% programs, like other JTPA programs, strive to provide services, education and training to these individuals. See Table 1.

TABLE 1

ECONOMIC CHARACTERISTICS OF PARTICIPANTS

Characteristic	Number of Participants	Percent of Participants
AFDC Recipient	3,493	41%
WIN Registrant	2,705	32%
Unemployed	5,106	60%
Welfare Recipient	4,242	50%
Food Stamp Recipient	3,183	37%

Other characteristics which indicate individuals may be at risk or in need of assistance in preparation for work are prevalent among JTPA 8% participants. See Table 2.

TABLE 2

"AT-RISK" CHARACTERISTICS OF PARTICIPANTS

Characteristics	Number of Participants	Percent of Participants
Females	3,589	58%
Dropouts	2,802	33%
Minorities	3,889	46%
Limited English Speaking	226	3%
Single Heads of Households	2,288	27%
Displaced Homemakers	278	3%
Teenage Parents	297	4%
Handicapped	1,182	14%
Offenders	345	4%

The educational achievement level of participants varied. One out of every three participants was a high school dropout who had returned for the program. Nearly one-fourth were students currently enrolled; many had been identified as potential dropouts and encouraged to participate in the program. Table 3 gives additional information about the educational level of participants.

TABLE 3

EDUCATIONAL LEVEL OF PARTICIPANTS

Level of Achievement	Number of Participants	Percent of Participants
Dropout	2,802	33%
Current Student	2,018	24%
High School Graduate	2,686	32%
Post High School Graduate	1,031	12%

SUCCESS INDICATORS

Unlike other initiatives offered through JTPA, the 8% funds are not driven by performance standards. Educational and employment-related outcomes reflecting program or service success are used to determine success for youth participants. Indicators of success, as established by the private industry councils are shown below.

Educational Outcomes

- Dropout prevention
- High school diploma or GED
- Improved grades
- Literacy
- Better school attendance
- Returned to or remained in school

Employment-Related Outcomes

- Successful cooperative work experience
- Increased job opportunities
- Movement into advanced training programs
- Employment
- School-to-work transition

JTPA Criteria Re: Termination

For the purpose of JTPA reporting criteria, additional information is collected about participating youth terminations which are considered "positive." Known as "youth employability enhancements," elements contributing are listed below. Other termination information which is collected on both youth and adult participants of 8% programs are also listed. JTPA "positive" and "not positive" determinations are listed by each.

Youth Employability Enhancements:

- **Entered other training**
- **Returned to full-time school (dropouts only)**
- **Age 14-15 completed program objective**
- **Completed major level of education**
- **Attained youth competencies**

Youth and Adult Termination Information:

- Entered unsubsidized employment (positive)
- Continued in full-time school (not positive)
- Transferred to other title (not positive)
- Other termination (not positive)

8% PROGRAM RESULTS

Programs and services provided by JTPA's 8% funds are administered through the two designated state educational agencies (ISBE and ICCB) and provide an array of services to both youth and adults. A composite of the results of these services follows. A more detailed report of specific services provided by each of the state agencies is provided later in the report. The data used for this report are 1987 program year/1988 fiscal year. Significant differences from the previous year are noted.

Use of Funds

The amount of funds available for 8% services increased by $2,068,700 from fiscal year 1987 to fiscal year 1988. In 1987, 92.4% of the funds were expended, in 1988, 85.4% were used.

During FY 88, JTPA 8% funds were used to support administration, training, and participants. See Table 4. By far the greatest use of funds was training. Training plus participant support accounted for three-fourths of the expenditures.

TABLE 4

PLANNED AND EXPENDED USE OF 8% FUNDS

	Planned	Expended	Percent
Administration	$ 2,317,782	$2,141,476	24.9%
Training	6,704,815	5,537,855	64.5%
Participant Support	1,034,585	908,648	10.6%
Total	$10,057,182	$8,587,979	100.0%

The cost of providing services to each participant was nearly 26% less than anticipated. Fewer participants entered employment than planned; however, the cost per entrant remained below local projections. Wages earned by participants is above minimum wage, with the average wage for adults being $1.28 higher than for youth. (See Table 5.)

Performance Measures

It is important to note that the rate of 8% participants who enter employment is low; thus the cost per entrant is high. These are not necessarily negative results because some of the participants are students who are still in school; others received youth employability enhancements or remain in the program as current participants.

TABLE 5

ENTERED EMPLOYMENT, COSTS, RATES, WAGES

Performance Measure	Result
Cost per participant	$1,005.97
Entered Employment Rate	
Youth	22.2%
Adult	27.7%
(Total)	(25.3%)
Cost per entered employment	$5,657.43
Average wage at placement	
Youth	$4.14
Adult	5.42
(Total)	($4.93)

An array of activities may be used in providing 8% programs. Those used by the ISBE and ICCB are listed in Table 6 below. Several participants are involved in more than one activity.

TABLE 6

ACTIVITIES OF 8% PROGRAMS

Activity	Number of Participants	Percent of Participants
Academic Training	3,134	37%
Remedial Education	722	9%
Vocational Training	2,409	28%
Vocational Exploration	263	3%
Private-Sector On-The Job Training	546	6%
Services Only	1,923	23%
Employment and Training Services	2,519	30%

The JTPA criteria for determining successful programs for youth include youth employability enhancements as described in the previous section. Table 7 displays the results of the 8% programs in terms of those JTPA criteria and the number and percentage of youth and adult participants and terminees who entered unsubsidized employment.

Although not considered by JTPA as a positive factor at termination, Table 7 also presents information about those who continued in full-time school, transferred to other JTPA programs, or left the program for other reasons. The youth terminated for "other" reasons is a lower rate than for the adults. Youth and adults in 8% programs terminate and continue in the program at nearly the same rate. (See Table 7.)

TABLE 7

STATUS OF PARTICIPANTS AT TERMINATION
(Youth and Adults)

PARTICIPANT/TERMINEE STATUS	ADULT		YOUTH		TOTAL	
	Number	Percent	Number	Percent	Number	Percent
PROGRAM PARTICIPANTS	4,836	56.6%	3,701	43.4%	8,537	100%
CURRENT PARTICIPANTS (continuing in programs)	1,440	29.8%	1,099	29.7%	2,539	29.7%
TERMINATIONS	3,396	70.2%	2,602	70.3%	5,998	70.3%

Terminations	ADULT #	ADULT *% Part.	ADULT *% Term.	YOUTH #	YOUTH *% Part.	YOUTH *% Term.	TOTAL #	TOTAL *% Part.	TOTAL *% Term.
Entered Unsubsidized Employment	940	19%	28%	578	16%	22%	1,518	18%	25%
Youth Employability Enhancements	N/A	N/A	N/A	956	27%	37%	956	11%	16%
• Entered Other Training				(18)	(.5%)	(.7%)			
• Returned to Full-Time School (Dropouts)				(5)	(.1%)	(.2%)			
• Age 14-15, Completed Program Objectives				(447)	(12%)	(17%)			
• Completed Major Level of Education				(241)	(7%)	(9%)			
• Attained Youth Competency				(245)	(7%)	(9%)			
Continued in Full-Time School	38	.8%	1%	115	3%	4%	153	2%	3%
Transfer to Other JTPA Titles	277	6%	8%	68	2%	3%	345	4%	4%
Other Terminations	2,139	44%	63%	885	24%	34%	3,024	35%	50%

*% Part. = Percent of Participants; % Term. = Percent of Terminations

Table 8 illustrates the number of 8% individuals who terminated the program having various characteristics. The percentage of individuals comprising each characteristic is stated as "participation rate." For each characteristic, the number and percentage who entered employment is given. The number of "youth positive terminations" is also given for each characteristic. The "youth positive termination" column also includes the number of youth who entered employment.

Few of the youngest age group find employment, but three out of four 14-15 year olds have a "youth positive termination." Positive criteria for males at termination appear at a higher percentage than for females.

TABLE 8

CHARACTERISTICS OF 8% TERMINEES

	Terminations		Entered Employment		Youth Positive* Termination	
Characteristics	Number	Rate	Number	Percent	Number	Percent
GENDER						
Male	2,540	42%	770	33%	779	31%
Female	3,458	58%	748	22%	755	22%
AGE						
14-15	679	11%	14	2%	530	78%
16-21	1,923	32%	564	29%	1,004	52%
22-54	3,293	55%	904	28%	N/A	N/A
55 and over (older workers)	103	2%	36	35%	N/A	N/A
RACE						
White	3,429	58%	969	28%	672	-
Black	2,008	34%	454	23%	613	-
Hispanic	433	7%	79	18%	215	-
Am. Indian/ Alaskan Native	9	.2%	0	0%	2	-
Asian/Pacific Islander	119	2%	16	13%	32	-
EDUCATIONAL LEVEL						
Student, current	1,523	25%	188	12%	1,017	-
Dropout	1,824	30%	368	20%	306	-
High School Graduate	1,878	31%	685	37%	168	-
Post High School Attendee	773	13%	277	38%	43	-

(cont'd)

Table 8 (cont'd)

	Terminations		Entered Employment		Youth Positive* Termination	
Characteristics	Number	Rate	Number	Percent	Number	Percent
ECONOMIC STATUS						
AFDC Recipient	2,413	40%	376	16%	514	-
WIN Recipient	1,930	32%	316	16%	359	-
Unemployed	3,697	62%	1,063	29%	665	-
Unempl. Ins. Claimant	393	7%	201	51%	46	-
Food Stamp Recipient	2,282	38%	457	20%	337	-
Welfare Recipient	2,855	48%	4,878	17%	585	-
Non-Economically Disadvantaged	516	9%	173	34%	79	-
AT-RISK POPULATIONS						
Single Head Hshld.	1,562	26%	345	22%	95	-
Displaced Hmkrs.	219	4%	36	16%	2	-
Teenage Parent	200	3%	48	24%	88	-
Limited-English	154	3%	19	12%	27	-
Handicapped	768	13%	234	31%	273	-
Offender	276	5%	71	26%	50	-
OTHER						
Employed	910	15%	299	33%	181	-
Not in Labor Force	1,391	23%	156	11%	688	-
Veteran	264	4%	113	43%	3	-
Foster Child	37	.6%	6	16%	17	-

*Includes those youth who entered employment.

8% JTPA FUNDS ADMINISTERED BY ISBE

The Illinois State Board of Education administers 75% of the State's Education and Coordination Grant of the JTPA, known as the 8% funds. The State Board has 14 categories of programs and activities it uses to provide participant services and coordination activities.

USE OF FUNDS

The 8% grant award to ISBE during FY 88 was $7,542,764. ISBE used 85.2%, thus actually expending $6,425,398. For FY 87, the ISBE award was $5,991,359; of that amount $5,852,013 or 97.7% was expended. In accordance with JTPA, 8% funds must be matched with state and/or local funds.

As required by provisions of JTPA, the State Board must use 80% of the state education and coordination grant to provide services to eligible participants and 20% to facilitate the coordination of education and training services for eligible participants. Of the 14 programs and activities used by ISBE to deliver the 8% activities, ten provide services to participants and four provide for coordination of services. (See Table 9.)

TABLE 9

SERVICES AND COORDINATION PROVIDED BY 8% FUNDS

Funds for 80% Services:

Budgeted	$6,157,813	100.0%
Allocated	5,801,651	94.2%
Expended	5,247,940	85.2%
Matching Funds	6,980,435	133.0%

Programs for 80% Services:

•Adult Education/Literacy Plus Initiatives •Early School Leavers (ESL) •Economic Development •Education and Training Agreements •Illinois Pre-Employment Placement Programs •Public Housing Initiative •Special Initiative for Disabled •Work Experience and Career Exploration Program (WECEP) •Testing and Assessment •Diamond-Star Set Aside

Funds for 20% Coordination:

Budgeted	$1,332,884	100.0%
Allocated	1,332,884	100.0%

Expended	1,177,459	88.3%
Matching Funds	80,485	6.8%

Services for 20% Coordination:

•Public Private Partnership Program •Professional Development •Illinois Occupational Information Coordinating Committee •Administration

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LOCAL PROGRAMS, SERVICES, AND ACTIVITIES

Highlights

Following is an overview of programs, services, and activities (listed in Table 9) administered by the Illinois State Board of Education, using the 8% JTPA funds. Local plans are submitted to ISBE by eligible recipients. Plans are required to show they were developed in cooperation with the local service delivery area's private industry council (PIC) and local elected officials (LEO) and approved for funding by the ISBE.

The program overview provides a statement regarding the major thrust of the initiative, followed by characteristics of the program, service, or activity. The number of locations where the program is carried out is listed, followed by a break-out showing the type and number of institutions or agencies offering the program.

Allocations and expenditures are also presented. The allocated figure is the total amount of funds approved for programs to operate under all the local plans. The expended figure is the amount actually spent by the locals in carrying out the program. Match funds represent both state and local funds as designated by the local recipient to carry out the program at the local level.

The total number of persons served by the programs is given. The number is rounded and represents two years of participation (average). Population characteristics of participants served are also described.

The overview gives an *approximate* average cost per person. It is calculated by adding the expended funds with matching funds and dividing by the number of persons served. The information is included to supplement the "cost per entered employment" criteria used by JTPA for measurement and accountability purposes.

Programs Using 80% Funds

Below are programs operated at the local level to provide education and training programs, services, and activities to eligible participants.

ADULT EDUCATION/LITERACY PLUS INITIATIVES

THRUST: Upgrade basic skills of JTPA participants

CHARACTERISTICS:

- Uses partnerships between local adult education providers and SDA's
- Reading, writing, math, communication
- Class-size projects
- SDA approval of agency delivering the program

LOCATION: 13 program sites

- 7 Public school districts (54%)
- 5 ESRs (educational service region) (38%)
- 1 Adult education region (8%)

ALLOCATED: $ 415,358

EXPENDED: $ 379,385

MATCH: $ 482,083

PERSONS SERVED: 350

- JTPA participants needing services to succeed in JTPA

APPROXIMATE COST PER PERSON:
$2,461

EARLY SCHOOL LEAVER
(ESL)

THRUST: Serve high school dropouts

CHARACTERISTICS:

- Complete requirements for high school diploma
- Complete requirements for GED
- Classroom instruction
- Career information
- Employability skills development
- Students enrolled in academic classes
- Work in part-time jobs
- Class-size projects

LOCATION: 15 program sites

- 1 AVC (7%)
- 4 Public school districts
- 1 ESR (Educational Service Region) (7%)
- 1 Adult education region (7%)
- 8 Community colleges (53%)

ALLOCATED: $ 601,515

EXPENDED: $ 534,432

MATCH: $ 805,390

PERSONS SERVED: 890

- 16-22 year-olds
- High school dropouts
- JTPA eligible

APPROXIMATE COST PER PERSON:
$1,505

ECONOMIC DEVELOPMENT
Set Aside Program

THRUST: Support Governor's economic development efforts

CHARACTERISTICS:

- OJT (on-the-job training)
- Classroom training
- Provide 1/2 of employees' wages during specific skill training
- Employers pay 1/2 of wages
- Employers pay fringe benefits
- Program cooperation between education and JTPA

LOCATION: 11 program sites

- 2 Private Industry Councils (18%)
- 4 Community Colleges (36%)
- 5 Economic development, county consortiums (CBO) (45%)

ALLOCATED: $ 528,829

EXPENDED: $ 438,012

MATCH: $ 461,739

PERSONS SERVED: 450

- New employees
- Economically disadvantaged
- JTPA Title III eligible (dislocated workers)
- Employed and on payroll prior to training

APPROXIMATE COST PER PERSON:
$1,999

EDUCATION AND TRAINING AGREEMENTS

THRUST: Cooperation of education and JTPA to provide education and skills necessary for transitioning from education to work

CHARACTERISTICS:

- Each SDA receives an allocation to develop programs with educational institutions
- Class size
- Basic academic skills
- Dropout prevention
- School completion or GED
- Pre-employment skills
- Work maturity/employability skills

LOCATION: 70 program sites (Based on SDA recommendations and requests to ISBE)

- 9 ESR's (13%)
- 23 Community colleges (33%)
- 14 Public school districts (20%)
- 6 EFE/RDS (9%)
- 1 AVC (1%)
- 1 Adult education region (1%)
- 2 Special education cooperatives (3%)
- 13 Community-based organizations (19%)
- 1 HORIZONS (university fiscal agent) (1%)

ALLOCATED: $1,600,646

EXPENDED: $1,427,186

MATCH: $1,765,631

PERSONS SERVED: 2,200

- Youth and adults

APPROXIMATE COST PER PERSON: $1,451

ILLINOIS PRE-EMPLOYMENT PLACEMENT PROGRAMS (IPREP)

THRUST: Assists at-risk students find employment or postsecondary training before graduating from high school

CHARACTERISTICS:

- Placement Services
- Secure full-time unsubsidized employment
- Secure postsecondary training
- Career counseling
- Employability skills training
- School-to-work transition
- Class-size instruction

LOCATION: 8 program sites

- 8 Public school districts (100%)

ALLOCATED: $ 779,994

EXPENDED: $ 735,337

MATCH: $1,253,201

PERSONS SERVED: 350

- High school seniors not enrolled in vocational education or college-bound programs

APPROXIMATE COST PER PERSON: $5,681

PUBLIC HOUSING INITIATIVE

THRUST: Provide education and entry-level employment opportunities

CHARACTERISTICS:

- Job experience at housing authority properties
- Class-size instruction

ALLOCATED: $ 354,505

EXPENDED: $ 325,384

MATCH: $ 358,002

PERSONS SERVED: 230

(cont'd)

Public Housing Initiative (cont'd)

- Basic education
- Vocational Education
- Partnerships of educators, SDAs, and public housing officials

LOCATION: 7 program sites

Programs located in public housing facilities provided by:
- 5 Community colleges (71%)
- 2 Public school districts (29%)

- Residents of public housing

APPROXIMATE COST PER PERSON:
$2,971

SPECIAL INITIATIVE FOR DISABLED

THRUST: Expand vocational education opportunities to disabled youth and adults

CHARACTERISTICS:

- Serves severely disabled
- Skill training, employment preparation
- Daily living skills
- Job placement
- Less than class-size training
- Reimbursement of tuition in conjunction with DORS/DMH

LOCATION: 12 program sites

- 2 Public Schools (17%)
- 1 Special education cooperative (8%)
- 9 Community-based organizations (75%) (including county consortiums)

ALLOCATED: $ 240,000

EXPENDED: $ 337,182

MATCH: $ 231,595

PERSONS SERVED: 100

- Severely disabled, thus not meeting priorities of the Department of Rehabilitation Services
- Youth and adults

APPROXIMATE COST PER PERSON:
$5,687

WORK EXPERIENCE AND CAREER EXPLORATION PROGRAM (WECEP)

THRUST: Cooperative work experience and career-related classroom instruction for potential dropouts

CHARACTERISTICS:

- Cooperative work experience
- Career-related classroom instruction
- Wages from part-time work
- Maximum of 25 students per program
- Student transportation
- Reimburse employers for added training costs
- Student certification for eligibility

LOCATION: 18 program sites

- 16 Public school districts (89%)
- 1 ESR (6%)
- 1 AVC (6%)

ALLOCATED: $ 919,804

EXPENDED: $ 836,138

MATCH: $1,516,865

PERSONS SERVED: 635

- 14 and 15 year-olds
- Potential high school dropouts

APPROXIMATE COST PER PERSON:
$3,705

TESTING AND ASSESSMENT

THRUST: Provide assessment and testing services in rural areas

ALLOCATED: $ 286,000

(cont'd)

Testing and Assessment (cont'd)

CHARACTERISTICS:

- Mobile assessment services

LOCATION: 1 program site

- 1 Community-based Organization (100%)

EXPENDED: $ 265,487

MATCH: $ 36,534

PERSONS SERVED: 670

- Focus on rural communities

APPROXIMATE COST PER PERSON: $450

DIAMOND-STAR SET-ASIDE

THRUST: Provide training to new employees

CHARACTERISTICS:

- Job skill training
- Employer specific

LOCATION: 1 program site

- 1 Community-based Organization (private industry council) (100%)

ALLOCATED: $ 75,000

EXPENDED: $ 69,395

MATCH: $ 69,395

PERSONS SERVED:

- Diamond-Star employees

Programs Using 20% Funds

Programs offered coordination services on a statewide basis to assist personnel from local programs to enhance local coordination with the private sector and among the various service providers.

PUBLIC PRIVATE PARTNERSHIP PROGRAM (PPPP)

THRUST: Develop industry-based teacher/instructor in-service education and program upgrading (internship)

CHARACTERISTICS:

- Internships for teachers
- Partnerships for updating programs
- Curriculum revision
- Industry-based training site development
- Partnerships for resource sharing

LOCATION: 1 contract

- 1 University (100%)

ALLOCATED: $ 472,884

EXPENDED: $ 437,234

MATCH: 0

PERSONS SERVED:

- Program instructors

PROFESSIONAL DEVELOPMENT

THRUST: Support of professional development to enhance coordination

CHARACTERISTICS:

ALLOCATED: $ 35,000

EXPENDED: $ 34,725

(cont'd)

Professional Development (cont'd)

- In-service education activities
- Workshops and conferences for joint participation of job training and education personnel

LOCATION: 1 contract

- 1 University (100%)

MATCH: 0

PERSONS SERVED:

- SDA staff
- RDS director
- Community college vocational education plan writers
- JTPA and vocational education state staff

ILLINOIS OCCUPATIONAL INFORMATION COORDINATING COMMITTEE

THRUST: Provides career information and LMI pertinent to Illinois

CHARACTERISTICS:

- Facilitate use of LMI
- Provides occupational information to SDAs and JTPA participants
- Technical assistance for using LMI and other career information

LOCATION: 1 contract

- 1 University

ALLOCATED: $ 80,000

EXPENDED: $ 79,855

MATCH: $ 80,485

PERSONS SERVED:

- Program participants involved in job seeking and career decision making
- 8% program personnel for planning and program use

ADMINISTRATION

THRUST: Provide staff to administer programs

CHARACTERISTICS:

- Program planning and reporting
- Technical assistance
- Coordination

LOCATION: Grant award

- ISBE (for administration)

ALLOCATED: $ 745,000

EXPENDED: $ 625,644

MATCH: 0

PERSONS SERVED:

- Local JTPA and vocational education personnel

RECAP OF 8% EXPENDITURES
(ISBE Administered)

The Illinois State Board of Education issued 158 contracts using the 8% funds. The funds were expended to provide 14 different types of services to eligible participants and coordination initiatives among those involved from education, training, and the private sector.

The Education and Training program was most often used. Programs designed to target dropouts and potential dropouts were also popular. Several services had statewide implications, particularly those for coordination. Table 10 provides summary information about the number of contracts awarded for each service and the amount of funds used.

TABLE 10

RECAP OF EXPENDITURES FOR PROGRAM CONTRACTS*

----80% Funds----	Number of Contracts	% of Contracts	8% Funds Expended	% of Funds
Economic Development	11	7.0%	$438,012	7.6%
Testing & Assessment	1	.6%	$265,487	4.6%
Early School Leavers (ESL)	15	9.6%	$534,432	9.2%
Work Experience & Career Exploration Program (WECEP)	18	11.4%	$836,138	14.4%
IL Pre-Employment Placement Program	8	5.1%	$735,337	12.7%
Education & Training Program	70	44.3%	$1,427,186	24.6%
Adult Education/Literacy Plus Program	12	7.6%	$379,385	6.5%
Diamond-Star Set-Aside	1	.6%	$69,395	1.2%
Public Housing Initiatives	7	4.4%	$325,384	5.6%
Special Initiatives for Disabled	12	7.6%	$237,182	4.1%
----20% Funds----				
Public Private Partnership Program	1	.6%	$437,234	7.5%
Professional Development	1	.6%	$34,726	.6%
IOICC	1	.6%	$79,855	1.4%

*Table excludes funds for state administration ($625,645 or 9.7% of total)

RECAP OF 8% SERVICE PROVIDERS
(ISBE Administered)

Public school districts were granted the largest number of contracts to provide services to participants. However, less than 10% of the school districts had contracts to provide services. Some had more than one. The community colleges were the second largest providers of services with these JTPA 8% funds. Ten community colleges had more than one contract. See Figure 1.

Third in numbers of contracts were the community-based organizations which included private schools, private industry councils, county economic development consortiums, mental health centers, and other service organizations. Although all were not yet fully implemented, six RDS's used the new Education for Employment delivery system to provide services.

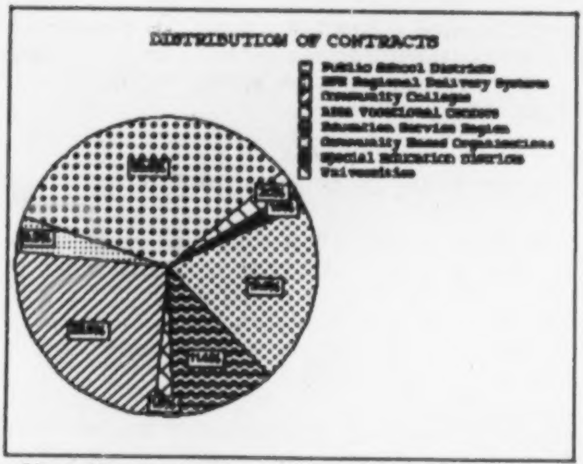

Figure 1: The distribution of contracts among the various service providers for JTPA 8% funds administered by ISBE.

Funds expended by service providers through contracts to deliver the services were in proportions different than the number of contracts (see Figure 2). Large contracts with the Chicago school district account for the funding proportion of public school districts being greater than the proportion of contracts. In addition to contracts administered by ISBE, community colleges had JTPA 8% funds which were administered by ICCB.

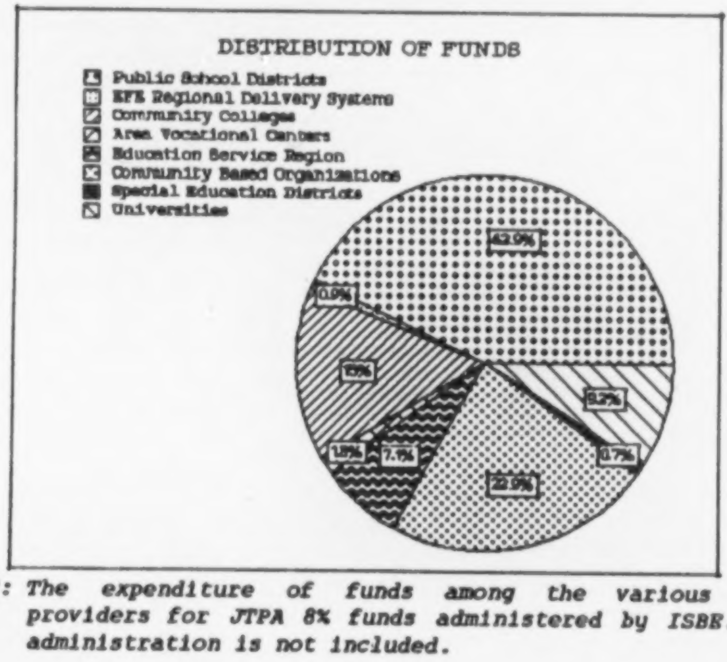

Figure 2: The expenditure of funds among the various service providers for JTPA 8% funds administered by ISBE. State administration is not included.

Even though universities had a small share of the contracts, their share of funds is a greater proportion because the services were statewide. The RDS's with contracts were generally in rural areas, serving smaller numbers of participants (see Figure 2).

OUTCOME OF SERVICES PROVIDED

The expected outcomes of the 8% JTPA education grants are different from the expected outcomes of other JTPA title programs which use employment as a primary measure of success. The 8% funds focus more directly on educational aspects related to employment such as returning dropouts to school, preventing dropouts, working on employability skills, and academic content needed to benefit from training programs.

For JTPA purposes, "youth positive terminations" include those who entered unsubsidized employment and/or successfully completed the youth employability enhancements which include: 1) entered other training; 2) returned to full-time school (dropouts only); 3) completed program objectives (ages 14-15 only); 4) completed major level of education; and 5) attained youth competency.

Although commendable, students who continue in full-time school or enroll in other training programs are not included in the "youth positive termination" group.

Participants Served

The 8% contracts provide services to population groups often referred to as "at-risk" or "difficult-to-serve." Adults, as well as youth, receive services (see Figure 3). Adults enter employment at a significantly higher rate than youth who participate in programs.

During FY 87, ISBE served 5,170 participants (2,543 youth; 2,627 adult). Enrollments increased in FY 88 to 5,631 (3,199 youth; 2,432 adults).

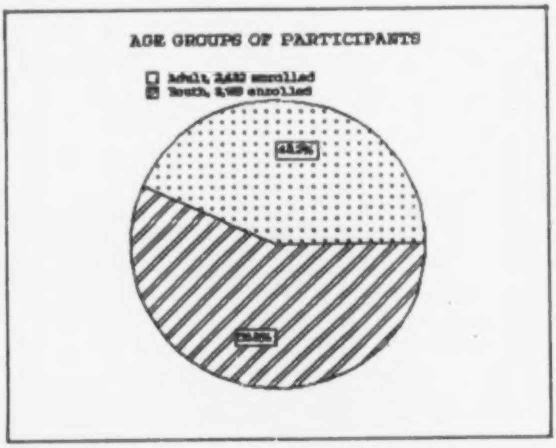

Figure 3: The age range of youth participants is age 14 through 21; adults are 22 and over.

JTPA 8% services extend to all races. Minorities participate at a rate higher than they occur in the general population (see Figure 4).

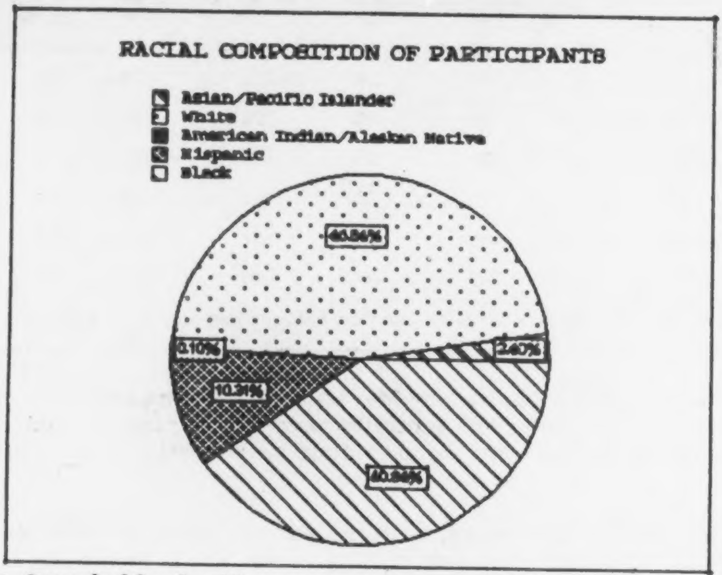

Figure 4: Over half of all participants represent racial minorities.

Outcomes for Targeted Populations

Many characteristics of targeted or at-risk populations were prevalent among the 8% participants. Because many of these programs were designed to encourage dropouts to return to school and to encourage potential dropouts to remain in school, high rates of participants with dropout-related characteristics enrolled (see Table 11). Participants may have more than one "at-risk" characteristic.

A "termination" is someone who leaves or completes the program. The participant may leave to take employment or may drop out of the program, all are designated as terminations.

TABLE 11

"AT-RISK" CHARACTERISTICS OF PARTICIPANTS AND TERMINATIONS

Characteristics	Number of Part.	% of Part.	Number of Term.	% who Term.	Entered Employ.	Youth Positive Term.
Dropouts	2,065	37%	1,212	59%	267	264
Limited-English-Speaking	178	3%	127	71%	8	27

(cont'd)

Table 11 (cont'd)

Characteristics	Number of Part.	% of Part.	Number of Term.	% who Term.	Entered Employ.	Youth Positive Term.
Minorities	2,993	53%	1,878	63%	392	819
Single Heads of Households	1,119	20%	708	63%	204	80
Displaced Homemakers	124	2%	89	72%	18	2
Teenage Parents	235	4%	156	66%	38	76
Handicapped	913	16%	597	65%	139	226
Offenders	249	4%	200	80%	47	42

Part. = Participants; Term. = Termination/Terminated; Employ. = Employment

Females outnumbered males, 54.3% and 45.7%, respectively. Secondary vocational education programs generally have a 50% rate for each, and adult programs usually have an approximate male participation rate of 56%; female of 44%.

The ISBE-administered programs exceeded the required rate of 75% for economically disadvantaged participants with 92.6% being so designated. Several characteristics of the participants' economic status indicated their eligibility (see Table 12).

The services helped many participants to free themselves of public assistance dependency. Nearly one out of three who entered the program unemployed, became employed upon termination.

TABLE 12

ECONOMIC CHARACTERISTICS OF PARTICIPANTS AND TERMINEES

Characteristics	Number of Part.	% of Part.	Number of Term.	Entered Employ.	Youth Positive Term.
AFDC Recipients	2,045	36%	1,318	236	495
WIN Registrants	1,480	26%	996	197	345
Unemployed	2,855	51%	1,978	640	556
Welfare Recipients	2,554	45%	1,587	294	552
Food Stamp Recipients	1,759	31%	1,228	249	305

Part. = Participants; Employ. = Employment; Term. = Termination

Performance Measures

The rate of youth entering employment was lower than that of adults (see Table 13). It is important to note that about 1/3 of both adult and youth are continuing in school or remain as participants in the program. The "unaccounted for" terminations represent 41% of the total adult participants and 30% of the total youth participants.

The average wage for youth and adults who entered employment was above minimum wage. Costs of the JTPA 8% education programs administered by the ISBE are slightly higher than some JTPA and vocational education courses, but competitive with programs with high rates of "at-risk" participants. The cost per person entering employment is higher than many education and training programs, but employment was not the primary objective of some of the services provided (see Table 13).

TABLE 13

ENTER EMPLOYMENT, COSTS, RATES, WAGES

Performance Measure	Result
Cost per participant	$1,141.00
Entered Employment	
Youth	19.2%
Adult	32.7%
(Total)	(24.9%)
Cost per entered employment	$6,721.00
Average wage at placement	
Youth	$4.09
Adult	5.66
(Total)	($4.95)

Programs and services administered by the State Board incorporated a variety of activities (see Table 14). Participants frequently benefit from more than one activity. The major activities are listed in Table 14 with the number of participants and rate of participation shown for each.

TABLE 14

ACTIVITIES OF 8% PROGRAMS

Activity	Number of Participants	Percent of Participants
Academic Training	2,428	43%
Remedial Education	722	13%
Vocational Training	1,738	31%
Vocational Exploration	263	5%
Private Sector On-The-Job Training	335	6%
Services Only	625	11%
Employment and Training Services	693	12%

The description provided by the JTPA of the status at termination for youth includes additional criteria which are especially designed for assessing the success of JTPA programs for youth. In addition to the 8% funded programs, the information is also collected for youth participating in Title IIA programs and the Title IIB summer youth programs. (See ICoVE's Report 16.) Forty-two percent (42%) of the youth who terminated the 8% programs achieved one or more of the youth employability enhancements. The specifics of these enhancements are illustrated in Table 15. Of the 3,199 youth participants, 2,242 or 79% terminated.

TABLE 15

YOUTH EMPLOYABILITY ENHANCEMENTS AND OTHER RESULTS
(of 2,242 youth terminations)

Youth Employability Enhancement	Number of Terminations	Percent of Terminations
• Entered other training	17	.7%
• Returned to full-time school (dropouts only)	4	.2%
• Completed program objectives (14-15 year olds)	447	20%
• Completed major level of education	235	10%
• Attained youth competency	243	11%

(cont'd)

Table 15 (cont'd)

Youth Employability Enhancement	Number of Terminations	Percent of Terminations
Other Results		
• Entered unsubsidized employment	431	19%
• Continued full-time school	106	5%
• Transferred to other JTPA title	38	2%
• Remain a current participant	957	N/A
• Other termination	721	32%

ANALYSIS OF 8% PROGRAMS

The 8% funds target populations are also targeted by Title IIA of the Perkins Act. The limited ability of the Perkins funds to be used to operate programs makes the 8% JTPA funds a valuable resource for serving this group of youth and adults. The WECEP (for 14-15-year-old potential dropouts) and ESL (early school leavers) are two examples of programs, once operated solely by vocational education which attempt to address the dropout issue. The long-term success of these programs was threatened when federal funds could no longer support the operation of ongoing programs. The 8% JTPA funds were able to provide the needed support.

With less than 10% of the secondary districts participating in the 8% program, the proportion of 8% contracts in secondary schools (33%) is minimal. A large portion, nearly half, of the 8% funds administered by the ISBE are contracted through community colleges and community-based organizations. Generally, ICoVE found the reasons for the poor participation rate of secondary schools to be varied. Some of the rationales include:

- JTPA is looking for a historical record of success when selecting "providers," (i.e., it is difficult to receive a first contract).
- Secondary school systems lack the flexibility to accommodate JTPA programs (i.e., JTPA doesn't "fit" in traditional secondary schools).
- JTPA program requirements for data make it "not worth all the red tape."
- Secondary schools and JTPA do not have a long-standing relationship.
- Personnel at the secondary level who are in decision-making positions lack knowledge of JTPA.
- The magnitude of the secondary school districts (about 1,000) is overwhelming for the JTPA's 26 SDAs and PICs, thus making it difficult to keep all apprised of JTPA needs for programs. Some SDAs had 40 or 50 secondary schools in their areas.

The mechanism for improving coordination between 8% programs and vocational education have been developed during recent years. The organization of secondary schools into 58 regional delivery systems will make coordination activities more manageable. When the regional delivery systems

become fully implemented in 1989 and 1990, the process of identifying needs and aligning resources to serve targeted groups will be in place.

New requirements for signed coordination agreements among the SDAs, RDS, and community college districts should further coordination. State-initiated conferences which bring JTPA and vocational education personnel together may provide the first step for coordination. Additional ICoVE findings pertaining to coordination are reported in Report #17 of ICoVE's Technical Report series.

ISBE has reached out to community-based organizations to help achieve the objectives of the 8% programs. CBO's include economic development commissions, parochial schools, special interest groups, private trade schools, and many others. ISBE has tapped special education and the education service regions as well.

The 8% funds administered by ISBE are used to provide programs and services to participants so as to address several problem areas of concern in Illinois. In the following information, these problem areas are identified along with some of the ways 8% programs have helped to address these concerns.

PROBLEM AREA: DROPOUTS

- Emphasis from the funds targets the dropout problem (one-fourth of the 80% funds) through two activities, the ESL and the WECEP.
- Activities designed to serve students who have been identified as potential dropouts show evidence of success.
- Special programs (ESL) bring dropouts back to school to complete their education and/or receive remedial services.
- Part-time jobs provide wages and valuable work experience to participants.
- Work maturity/employability skills and career-related information are incorporated into program curriculum.

PROBLEM AREA: SCHOOL-TO-WORK-TRANSITION

- Attention (provided by the 8% funds through the IPREP) is given to those high school seniors who have received no preparation for the world of work.
- Students are made aware of career options.
- Placement services help students find employment or job preparation training.
- Follow-up services provide for individual needs.

PROBLEM AREA: DIFFICULT-TO-SERVE AND HIGH-RISK POPULATIONS

- Severely disabled persons who are historically difficult-to-serve or who are not served by other programs are provided assistance.
- Public housing residents who are historically difficult-to-serve are provided "residence services."
- Part-time jobs provide much needed income.
- Coordination with other public services is apparent.

- Single heads of households and single parents are served in special programs.

PROBLEM AREA: ADULT LITERACY NEEDS IN THE CHANGING WORK PLACE

- Over 1/3 of the ISBE 8% funds address the educational needs of adults to assist them to participate in job training programs.
- Basic skills (academic and vocational) necessary for individuals to keep pace with the changing work place and to be eligible for many training programs are provided.
- Individual needs are identified and programs are designed to meet the needs.
- Coordination between the JTPA and vocational education communities is necessary before contracts are developed.
- Dislocated workers are provided necessary education to seek new employment or retraining.

PROBLEM AREA: EMPLOYMENT OPPORTUNITIES FOR LOW-SKILLED WORKERS

- Assistance is provided for training as an incentive to hire new employees.
- Employers share in providing education and training services.
- A three-way partnership including the private sector, the JTPA agency, and educational agency is required to assure coordination.
- Participants receive wages as employees while they receive education and training services.

PROBLEM AREA: LOCATING ELIGIBILITY PARTICIPANTS

- The testing and assessment activity assists with determining eligibility and reduces repeated assessment.
- Quality testing and assessment is more readily available and accessible, particularly in rural areas.

PROBLEM AREA: KEEPING "PROVIDERS" CURRENT AND UPDATED

- The 20% funds focus on keeping service providers current and up-to-date, particularly program teachers/instructors.
- Nearly 40% of the 20% funds provide in-service education to teachers/instructors and/or assist with keeping programs updated.
- Industry-based initiatives are used in modernization efforts.
- Funds provide conferences and workshops which allow personnel to keep up-to-date with routine operations and to exchange ideas with other providers.

PROBLEM AREA: APPROPRIATE/CONSISTENT OCCUPATIONAL INFORMATION

- Assistance is given to making quality occupational information available to participants and quality LMI available to providers (through IOICC).

- Occupational information is specific to geographic location and aligns with user needs.
- Consistency in the occupational information used has become available.

PROBLEM AREA: USE AND COORDINATION OF EXISTING SERVICES

- Public educational agencies provide 80.4% of the ISBE contracts for 8% funds. JTPA requires the use of educational agencies whenever possible.
- Public educational agencies use 77.1% of the 8% funds administered by ISBE for providing services; non-public educational agencies use 21.7%.
- Many of the community-based organizations (CBOs) used are consortiums within cities or counties or are organized for special interest purposes.
- CBOs with "special interests" and private schools selected have expertise which aligns with the needs of the target groups.
- The administering agency has established coordination criteria which assists providers to offer services in an efficient and effective manner.

8% JTPA FUNDS ADMINISTERED BY ICCB

The Illinois Community College Board administers 25% of the state's education and coordination grant of the JTPA, known as the 8% funds. The ICCB has seven categories of programs and activities it uses to provide participation services and coordination activities.

USE OF FUNDS

The 8% grant award to ICCB during FY 88 was $2,514,418. ICCB used 86%, thus actually spending $2,162,581. For FY 87, ICCB received $1,997,120 in the grant award. A total of $1,526,188 or 76.4% was expended. In accordance with JTPA, 8% funds must be matched with non-JTPA funds.

In keeping with requirements of the JTPA, ICCB must use 80% of the grant to provide services to eligible participants and 20% to facilitate the coordination of education and training services for eligible participants. Five of the ICCB programs are designed to meet the intent of the 80% funds; two meet the intent of the 20% funds. (See Table 16.)

Table 16

SERVICES AND COORDINATION PROVIDED BY 8% FUNDS

Funds for 80% Services:

Allocated	$2,070,190	100.0%
Expended	$1,746,375	84.0%

Programs for 80% Services:

•Business Centers •Comprehensive Adult Employment Development •Special Needs Adult Training Assistance Projects •Special Economic Development Programs •Career and Labor Market Information Project

Funds for 20% Services:

Allocated	$451,446	100.0%
Expended	$416,262	92.0%

Programs for 20% Services

•Administration/Coordination/Technical Assistance •Business Centers

Total Matching Funds $2,479,506 115.0%

LOCAL PROGRAMS, SERVICES, AND ACTIVITIES

Highlights

JTPA funds allocated to the Illinois Community College Board under the 8% provision of Title IIA support three major priorities. These include:

- Support and coordinate employment-related basic education offerings to include basic academic skills, skill training, and employability skill development of individuals.
- Assist in the state's effort to expand work opportunities through the formation of new businesses or expansion of existing businesses.
- Support the state's effort to coordinate the labor supply and demand by maintaining an effective labor market information system.

The 8% funds administered by the ICCB are divided into two parts. The first, known as the 80% funds are used to provide services for eligible participants. The second part, known as the 20% funds are used to provide coordination of services for eligible recipients.

ICCB has six kinds of programs eligible for 80% funds. The 20% funds are used for one kind of program plus state administration.

The information that follows presents highlights of the programs, services, and activities administered by ICCB through each kind of program. The thrust and general characteristics of each program are highlighted. The number of locations offering the program is listed. Information about the amount of funds allocated to the program and the amount actually expended to operate the program is given. Results in terms of the people or businesses served are listed where appropriate.

Programs Using 80% Funds

Programs operated at the local level to provide education and training programs, services, and activities to eligible recipients are listed below.

SPECIAL BUSINESS ASSISTANCE CENTERS

THRUST: Establish or expand contract procurement assistance

CHARACTERISTICS:

- Helps area businesses seek government contracts
- Administered in conjunction with DCCA
- Provides procurement information
- Offers one-on-one counseling

LOCATION:

- 11 Community colleges

ALLOCATED: $ 319,955

EXPENDED: $ 311,626

RESULTS:

- 4,138 business contacts
- 496 contracts
- $58,508,313 contracted funds
- 240 jobs created
- 619 jobs retained

*See also Special Business Assistance Center Projects reported under 20% funds

COMPREHENSIVE ADULT EMPLOYMENT DEVELOPMENT PROJECTS

THRUST: Provide training and employment assistance to economically disadvantaged persons

CHARACTERISTICS:

- Programs designed by individual districts to meet unique needs
- Remedial education emphasized
- Basic skills training emphasized

LOCATION:

- 30 Community colleges

ALLOCATED: $ 936,957

EXPENDED: $ 853,537

RESULTS:

- 2,365 enrolled
- 1,424 successful completions
- 336 entered employment

SPECIAL NEEDS ADULT TRAINING ASSISTANCE

THRUST: Serve unemployed "special needs" adults, particularly handicapped

CHARACTERISTICS:

- Serves persons 18 years or older with social, physical, developmental, or academic disability
- Participants include:
  - dropouts
  - academically disadvantaged
  - women returning or new to labor forces
  - single parents
  - handicapped
- Requires written verification of collaboration between community colleges, SDAs and other service providers

LOCATION:

- 9 Community colleges

ALLOCATED: $ 272,717

EXPENDED: $ 208,268

RESULTS:

- 235 enrolled
- 140 successful completions
- 91 entered employment

SPECIAL ECONOMIC DEVELOPMENT PROGRAM

THRUST: Two primary initiatives with information pertinent to each stated below

ALLOCATED: $ 460,561

EXPENDED: $ 460,561

(cont'd)

Special Economic Development Program (cont'd)

RESULTS:

- 253 enrollment
- 202 successful completion
- 202 placements

Economic Opportunity Set-Aside

THRUST: Recruitment and expansion of business and industry

CHARACTERISTICS:

- In conjunction with ISBE and DCCA
- Provides training funds to assist with recruitment and expansion
- Responds to plant closings

LOCATION:

- 3 Community colleges
- 1 Regional council
- 1 Trades council

ALLOCATED: $ 175,510

EXPENDED: $ 134,346

RESULTS:

- 208 enrolled
- 119 successful completions
- 103 entered employment

Projects for Employment-Generating Activities

THRUST: Expansion of business centers and complement economic development efforts

CHARACTERISTICS:

- Maintain jobs
- Innovative projects which clearly supplement existing community college function
- Innovative projects which demonstrate community/business and industry involvement
- Project to benefit the economic base

LOCATION:

- 7 Community colleges

ALLOCATED: $ 200,000

EXPENDED: $ 158,645

RESULTS: (project examples)

- Company-specific training for entry-level employees
- Feasibility study for an incubator
- Recruit joint venture manufacturing firms from Oriental countries and identify export markets
- High technology survey instrument for use in future planning
- Community appraisal for an intensive marketing campaign for targeted industries
- Manufacturing technologies and training to enhance productivity and competitiveness
- Establish small business incubator

CAREER AND LABOR MARKET INFORMATION PROJECT

THRUST: Support of Career and LMI project through the IOICC

CHARACTERISTICS:

- Provide comprehensive labor market and career information
- Provide consistent labor market and career information
- Make information available to students, counselors, JTPA clients, clients of

ALLOCATED: $ 80,000

EXPENDED: $ 79,952

RESULTS:

- Substate employment projections incorporated into OIS
- Program completer data incorporated into OIS
- Information used for training

(cont'd)

Career and Labor Market Information Project (cont'd)

other state agencies and social services, state planners and administrators

LOCATION:

- IOICC

workshops re: LMI and OIS
- Evaluation of system conducted
- Technical assistance provided, including plant closing sites

Programs Using 20% Funds

Programs offered coordination services with DCCA and the community colleges. Highlights follow:

SPECIAL BUSINESS ASSISTANCE CENTER PROJECTS

THRUST: Establish or expand contract procurement assistance

CHARACTERISTICS:

- Assist businesses to seek government contracts
- In conjunction with DCCA, provides procurement information, one-on-one counseling, and technical assistance

LOCATION:

- 5 Community colleges

ALLOCATED: $ 165,061

EXPENDED: $ 154,783

RESULTS:

- 1,778 business contacts
- 171 contracts
- $5,013,573 contract funds
- 135 jobs created
- 44 jobs retained

*See also Special Business Assistance Centers reported under 80% funds

ADMINISTRATION/COORDINATION/TECHNICAL ASSISTANCE

THRUST: Provide state administration of ICCB's 8% funds

CHARACTERISTICS:

- Administer and monitor JTPA subgrant
- Guidance and assistance on economic development to business centers
- Liaison between community colleges and DCCA

LOCATION:

- ICCB

ALLOCATED: $ 286,385

EXPENDED: $ 261,499

RECAP OF 8% EXPENDITURES
(ICCB Administered)

The Illinois Community College Board issued 68 contracts using the 8% funds. The funds provided seven different types of services to eligible participants and coordination initiatives. The Comprehensive Adult Employment Development Projects were the most popular of the programs. Table 17 provides summary information about the contracts and the funds used.

TABLE 17

RECAP OF EXPENDITURES FOR PROGRAM CONTRACTS*

----80% Funds----	Number of Contracts	% of Contracts	8% Funds Expended	% of Funds
Special Business Assistance Centers	11	16.0%	$311,626	16.0%
Comprehensive Adult and Employed Developmental Projects	30	44.0%	$853,537	45.0%
Special Needs Adult Training Assistance	9	13.0%	$208,268	11.0%
Special Economic Development Program	(12)	(18.0%)	($460,561)	(15.0%)
Economic Opportunity Set Aside	5	7.0%	$134,346	7.0%
Projects for Employment Generating Act	7	11.0%	$158,645	8.0%
Career and Labor Market Information Project	1	2.0%	$ 79,952	4.0%
----20% Funds----				
Special Business Assistance Center Projects	5	7.0%	$154,783	8.0%

*Table excludes funds for state administration ($286,385 or 13.0% of total)

RECAP OF 8% SERVICE PROVIDERS

Of the 68 contracts used by ICCB to provide programs and services using 8% funds, 66 (97%) were community college contracts. One contract was with a trades council and one was with a regional council.

Thirty-six of the 39 community college districts had an 8% contract. Some community colleges had several. Figure 5 illustrates the participation of the 39 community college districts in the 8% JTPA programs.

OUTCOME OF SERVICES PROVIDED

The outcomes of 8% JTPA grant awards to ICCB are expected to be different than the outcomes of other JTPA programs. ICCB-administered programs target economic development and employment generation by assisting with the recruitment and expansion of business, assisting small businesses, customizing training, procuring contracts, and identifying employment and training needs.

Like with the 8% ISBE-administered programs, employment is not the primary gauge for determining program success of the ICCB-administered 8% funds.

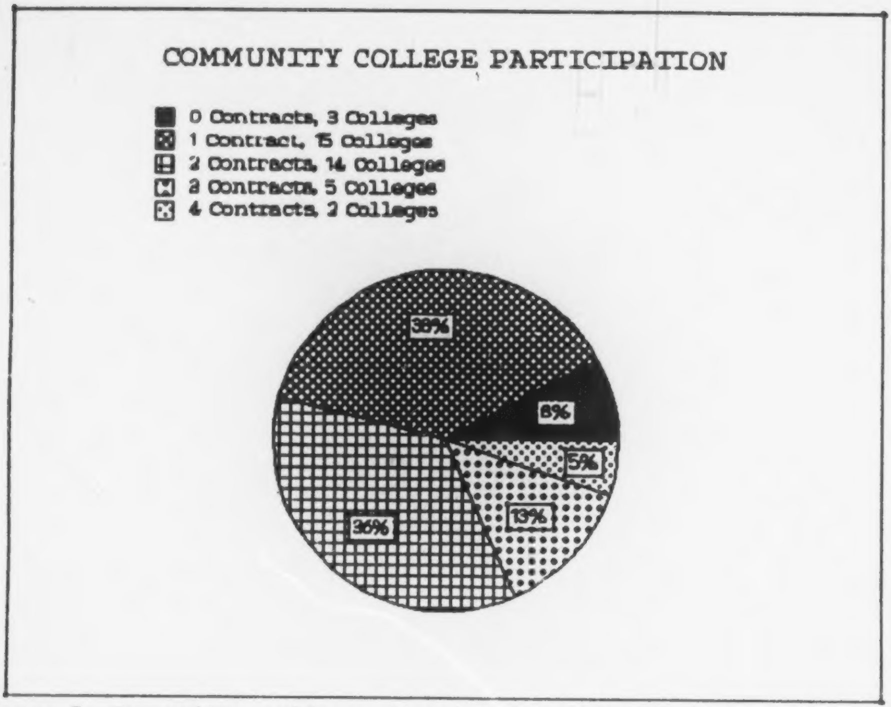

Figure 5: Community college district participation in 8% funded programs

Participants Served

The 8% funds provide services to populations known as "at risk" or "difficult-to-serve." (See Table 18.) Seventy-four percent (74%) of the participants terminate the program (i.e. complete or leave). Those who leave the program may leave because they found employment, chose to drop the program, have entered another program, have gone back to school, or for other reasons.

In programs administered by ICCB, female participants outnumber male participants, 65.1% and 34.9% respectively. The ISBE programs had a narrower gap (less than 10%) between female and male participant rates.

The ICCB-administered programs serve very few youth as compared to adults. (See Figure 6.) The total number of youth for FY 88 was 502, all were in the 16-21 age group. Of the 2,404 adults served, 1.3% were over age 55. A total of 2,906 participated. During FY 87 ICCB programs served 3,059 (497 youth; 2,562 adults).

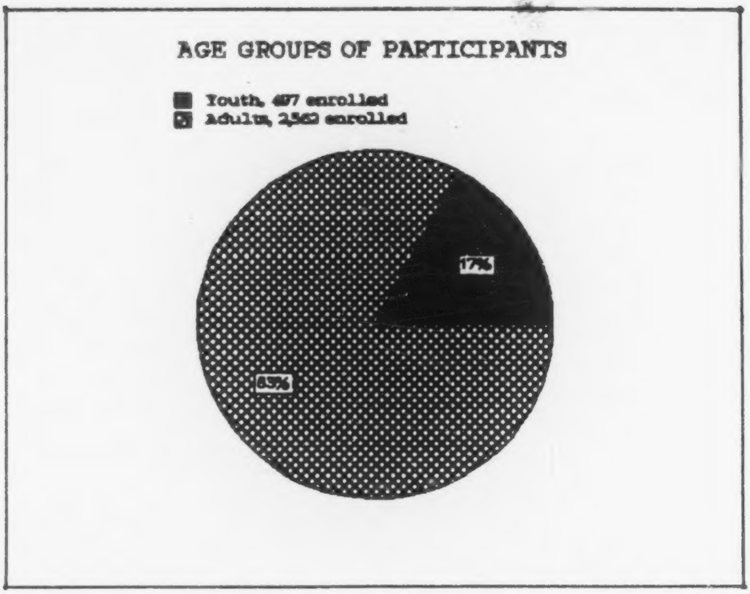

Figure 6: Youth participants range from age 16-21. Adults are 22 years and older.

Nearly 70% of the JTPA participants served by ICCB-administered funds were non-minority. (See Figure 7.)

Outcomes for Targeted Populations

Table 18 presents the percentage of participants having various at-risk characteristics. The number who terminated (completed or left) and the percentage of participants who terminated, by population characteristic.

TABLE 18

"AT-RISK" CHARACTERISTICS OF PARTICIPANTS AND TERMINATIONS

Characteristics	Number of Part.	% of Part.	Number of Term.	% who Term.	Entered Employ.	Youth Positive Term.
Dropouts	737	25%	612	83%	101	42
Limited-English-Speaking	48	2%	27	56%	11	0
Minorities	896	31%	691	77%	157	43
Single Heads of Households	1,169	40%	854	73%	141	15
Displaced Homemakers	154	5%	130	84%	18	0
Teenage Parents	62	2%	44	71%	10	12

(cont'd)

Table 18 (cont'd)

Characteristics	Number of Part.	% of Part.	Number of Term.	% who Term.	Entered Employ.	Youth Positive Term.
Handicapped	269	9%	171	64%	95	47
Offenders	96	3%	76	79%	24	8

Part. = Participants; Term. = Termination/Terminated; Employ. = Employment

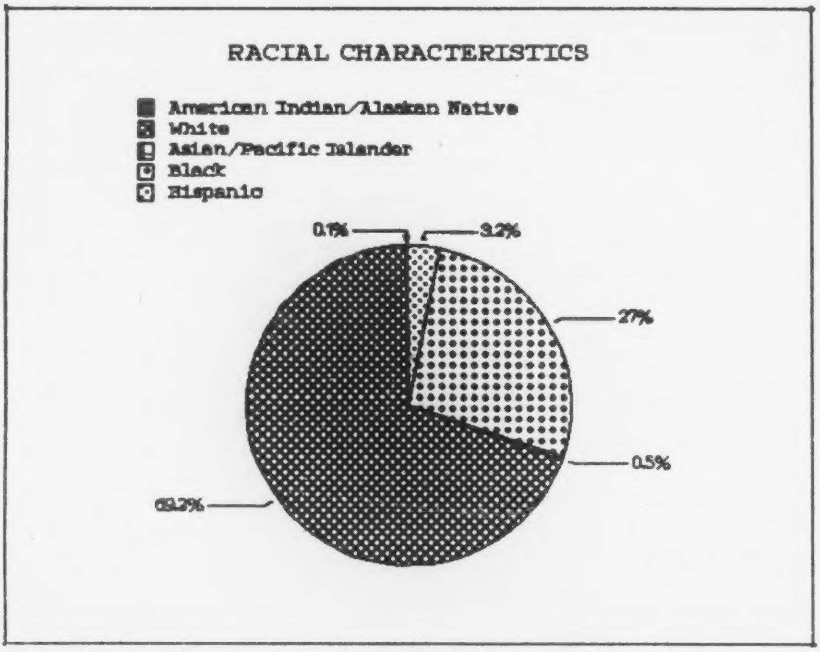

Figure 7: About 30% of the participants are minorities

The ICCB programs had 94.4% of the participants who were designated as economically disadvantaged. The indicators of economic status are shown in Table 19. One out of four who entered a program unemployed was employed at the time of termination of the program.

TABLE 19

ECONOMIC CHARACTERISTICS OF PARTICIPANTS AND TERMINEES

Characteristics	Number of Part.	% of Part.	Number of Term.	Entered Employ.	% of Term.	Youth Positive Term.
AFDC Recipients	1,448	50%	1,095	140	13%	19
WIN Registrants	1,225	42%	934	119	13%	14

(cont'd)

Table 19 (cont'd)

Characteristics	Number of Part.	% of Part.	Number of Term.	Entered Employ.	% of Term.	Youth Positive Term.
Unemployed	2,251	78%	1,719	423	25%	109
Welfare Recipients	1,668	58%	1,268	193	15%	33
Food Stamp Recipients	1,424	49%	1,054	208	20%	32

Part. = Participants; Employ. = Employment; Term. = Termination

Performance Measures

The youth participating in ICCB programs entered employment at a rate higher than adults. Wages at placement for youth were lower than for adults. Both exceeded minimum wage. (See Table 20.) The cost of operating programs (i.e. cost per participant) was very reasonable. The fact that ICCB used JTPA funds to supplement existing community college programs (e.g. business assistance centers, procurement services) may have eliminated start-up and design costs which tend to increase costs.

TABLE 20

ENTER EMPLOYMENT, COSTS, RATES, WAGES

Performance Measure	Result
Cost per participant	$ 744.00
Entered Employment	
Youth	40.8%
Adult	23.2%
(Total)	(26.1%)
Cost per entered employment	$3,848.00
Average wage at placement	
Youth	$4.27
Adult	5.11
(Total)	($4.89)

The major activities provided by ICCB's 8% programs were services. Nearly half of the participants received services only. About 1/4 received academic training and about 1/4 received vocational training. Employment training and services were received by over 60%. (See Table 21.)

TABLE 21

ACTIVITIES OF 8% PROGRAMS

Activity	Number of Participants	Percent of Participants
Academic Training	706	24%
Remedial Education	0	0%
Vocational Training	671	23%
Vocational Exploration	0	0%
Private Sector On-The-Job Training	211	7%
Services Only	1,298	47%
Employment and Training Services	1,826	63%

The "youth employability enhancement" rate of community college programs is nearly nonexistant (less than 1%). The participation rate of youth was less than 20%. Programs were not designed to deliver the "youth employability enhancements." The majority of the terminations were designated as "other."

TABLE 22

YOUTH EMPLOYABILITY ENHANCEMENTS AND OTHER RESULTS
(of 2,242 youth terminations)

Youth Employability Enhancement	Number of Terminations	Percent of Terminations
• Entered other training	1	-
• Returned to full-time school (dropouts only)	1	-
• Completed program objectives (14-15 year olds)	0	-
• Completed major level of education	6	-
• Attained youth competency	2	-
Total	10	.46%
Other Results		
• Entered unsubsidized employment	562	26%
• Continued full-time school	42	2%
• Transferred to other JTPA title	229	11%
• Remain a current participant	755	N/A
• Other termination	1,306	61%

CONCLUSIONS

ICoVE's review of the 8% JTPA education funds resulted in several conclusions:

- 8% funds are used by both ISBE and ICCB to support state administration, monitoring, technical assistance, and liaison relationships with DCCA and eligible recipients.
- 8% funds are used by both ISBE and ICCB to support and enhance labor market information, occupational information, and career information systems.
- Both ISBE and ICCB design programs using 8% funds which align with vocational/occupational education programs administered through their respective boards.
- The participants of 8% programs are nearly all economically disadvantaged.
- High rates of characteristics common to at-risk and difficult-to-serve individuals are found among the 8% program participants.
- ISBE programs using 8% funds tend to be designed to provide programs, services and activities for which insufficient state vocational education funds and/or Perkins funds are available.
- The ICCB tends to use 8% funds to supplement and expand existing programs.
- ISBE uses a wide array of service providers; ICCB relies primarily on community colleges.
- ISBE has developed many partnerships with CBOs to provide services to eligible participants.
- A very limited minimal number of public school districts participate in the 8% JTPA programs.
- A high rate of 8% terminations are designated as "other" (i.e. outcomes and reasons for terminations are unknown).
- Information about 8% program results is primarily based on numbers terminating, entering employment, and successfully completing programs. The impact of these results are unknown.

RECOMMENDATIONS AND SUGGESTED ACTIONS

RECOMMENDATIONS

The Illinois Council on Vocational Education recommends that the Illinois State Board of Education and the Illinois Community College Board in cooperation with the Department of Commerce and Community Affairs:

- Identify measurable outcomes for education objectives which support the employment-related goals of the JTPA program.

- Review components of the management information system to determine its accuracy in reporting the 8% program.

The Illinois Council on Vocational Education suggests the following activities for enhancement of the programs, services and activities provided by the 8% JTPA education funds:

- Expand the availability of services, particularly to secondary schools.
- Identify appropriate education outcomes to be attained.
- Publicize fund availability to areas not currently tapping the resource.
- Reduce red tape and bureaucracy to a minimum to encourage expanding the list of providers.
- Continue to address problem areas currently being addressed, giving emphasis to dropout-related problems and adult literacy-related problems.
- Identify unserved areas of the state and encourage participation.
- Encourage EFE/RDS contracts which could consolidate services to free funds needed for expansion.
- Continue required criteria for coordination.
- Continue technical assistance and professional development initiatives.
- Include 8% as a topic in coordination agreement meetings.
- Design a means of identifying terminations which indicate the services received prior to termination.
- Reduce the incidence of "unknown" terminations by improvement of client follow-up and additional termination classifications.
- Develop a mechanism for assessing the effectiveness of programs which include workforce retention and employer satisfaction.
- Add classifications for outcome measures which more precisely report program objectives.
- Provide incentives for client referrals among various service providers.

RESOURCES

Illinois Community College Board. Office of JTPA Programs. ***Annual Report on 8% State Education Coordination and Grants for Program Year 1987.*** Fiscal Year 1988. Springfield, IL.

Illinois Council on Vocational Education. ***Transcript of Public Hearing Testimony, 1987-1988.*** Springfield, IL.

Illinois Department of Commerce and Community Affairs. ***JTPA Management Information System.*** Unpublished Data. Springfield, IL. January 7, 1989.

-----***On-Line Summarization Reports: Title IBE (Illinois Community College Board), Title IBE (Illinois State Board of Education), Title IBE (Composite of State Education Grants).*** Springfield, IL.

Illinois State Board of Education. Department of Adult Vocational Technical Education. ***Final JTPA 8% Expenditure Report.*** Unpublished Data. Springfield, IL. October 3, 1988.

------***JTPA 8 Percent Program: An Investment in Partnerships.*** Springfield, IL. August, 1986.

-----***Summary of Final JTPA Eight Percent Expenditure Report.*** Unpublished Data. Springfield, IL. September 30, 1988.

National Alliance of Business. ***JTPA Operations at the Local Level: Coordination Discord?*** Washington, DC

-----***Survey on the Relationships between Service Delivery Areas and Selected Local Service Agencies.*** Executive Summary and Recommendations. Washington, DC. 1987.

FEDERAL FUNDING STATEMENT

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Our Subcommittee hearing stands adjourned.

[Whereupon, at 3:20 p.m., the hearing was adjourned.]

JOB TRAINING PARTNERSHIP ACT YOUTH EMPLOYMENT AMENDMENTS OF 1989

MONDAY , MAY 1, 1989

U.S. SENATE,
SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY,
COMMITTEE ON LABOR AND HUMAN RESOURCES,
Philadelphia, PA.

The subcommittee met, pursuant to notice, at 2 p.m., at Free Library of Philadelphia, Logan Square, Philadelphia, PA, Senator Paul Simon (chairman of the subcommittee) presiding.

Present: Senator Simon.

OPENING STATEMENT OF SENATOR SIMON

Senator SIMON. The subcommittee will come to order.

We are pleased to have a hearing here in Philadelphia, and I want to thank the librarian and the other people here for their hospitality.

Let me just briefly note at the beginning of the hearing that this is Law Day. Law Day is not only a day where we remind ourselves that we should observe the law. Law Day is also a day when we ought to remind ourselves the ought to create opportunity for people.

We are holding hearings today on two proposals in connection with trying to create greater a opportunity for people. One is the Job Training Partnership Act. Where it is doing a good job, we think it can be fashioned to do a better job.

We have a little bit of a problem, frankly, in creaming. We are so interested in success that we are working more with those who are easy to place than with the harder to place people.

The second area is the whole area of literacy. This Nation has to do much better in this area of literacy and it can do much better.

I am pleased to be here in Philadelphia where you have, particularly in this literacy area, done a very fine job. In looking over the statistics I note that you have more than 6,100 volunteer tutors have been trained here.

Back a few years ago I was able to get a literacy corps put into VISTA. The city that has more VISTA volunteers working on literacy than any other city in the United States is Philadelphia. I say that with regret. I wish it were Chicago, Illinois, instead of Philadelphia, but I commend you.

Mayor Goode, who is going to be our first witness, led in the Conference of Mayors in resolution to move on literacy more effectively.

You have had an initiative in the area of criminal justice. And let me also note as I look through the background, the business community is really starting to grab hold of this literacy problem, and I note that one of them, for example, IBM, is also active in the City of Chicago on literacy.

We are very pleased to have the hearing here in Philadelphia, and as our first witness we are pleased to have the distinguished Mayor of the City of Philadelphia.

Mayor Goode, we are honored to have you here and pleased to have your testimony.

[The prepared opening statement of Senator Simon follows:]

OPENING STATEMENT FOR SENATOR PAUL SIMON (D-IL)
HEARING ON S. 543, TO AMEND THE JOB TRAINING PARTNERSHIP ACT,
AND ON
NATIONAL LITERACY NEEDS
"TRAINING FOR WORKPLACE 2000"
SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY
PHILADELPHIA, PENNSYLVANIA
May 1, 1989

GOOD AFTERNOON. I FIRST WANT TO THANK YOU GOOD PHILADELPHIANS FOR THE FINE WELCOME YOU'VE GIVEN US FOR THIS FIELD HEARING. IN PARTICULAR I SHOULD THANK THE MAYOR AND THE MEMBERS AND STAFF OF HIS COMMISSION ON LITERACY. THE EXECUTIVE DIRECTOR, THELMA REESE, AND LINDA POLLACK AND JOYCE KRAJIN ON HER STAFF HAVE HELPED MAKE THIS HEARING POSSIBLE. WE ARE ALSO PARTICULARLY GRATEFUL TO ELLIOT SHELKROT AND HIS STAFF FOR BEING OUR HOSTS HERE TODAY.

CLEARLY, YOU IN THE CITY OF BROTHERLY LOVE, AS WELL AS IN HARRISBURG, ARE PROUD OF THE LEADERSHIP YOU ARE SHOWING IN THE NATIONAL LITERACY AND JOB TRAINING EFFORT, AND I WELCOME THE OPPORTUNITY TO GET THE INFORMATION ABOUT YOUR PROGRAMS ONTO THE RECORD FOR THE SENATE COMMITTEE ON LABOR AND HUMAN RESOURCES.

I MIGHT BEGIN BY POINTING OUT, IN THE EVENT NONE OF THE WITNESSES MAKES NOTE OF THE FACT, THAT PHILADELPHIA HAS THE DISTINCTION OF BEING THE LARGEST SINGLE USER OF VISTA LITERACY CORPS VOLUNTEERS, WITH AN IMPRESSIVE TOTAL OF 94. AS THE AUTHOR IN THE SENATE OF THE VISTA LITERACY CORPS INITIATIVE, I AM PLEASED TO SEE THE INITIATIVE BEING USED EFFECTIVELY. AS YOU MAY BE AWARE, THE ADMINISTRATION DOES NOT FEEL WE HAVE ANY FURTHER NEED FOR THE MANDATE FOR THESE SPECIAL VOLUNTEERS. I DO NOT SHARE THEIR VIEWS ON THIS AND ASSUME YOU MAY NOT EITHER.

THE HEARING TODAY COMBINES TWO PERSPECTIVES OF ONE OVERALL PROBLEM FACING AMERICA: WE WILL NOT REMAIN COMPETITIVE IN THE WORLD'S MARKETPLACE UNLESS WE ADDRESS THE BASIC SKILLS AND LITERACY DEFICIENCIES OF OUR PRESENT AND FUTURE WORKFORCE -- AND THOSE DEFICIENCIES, BY ANYONE'S ESTIMATE -- ARE MASSIVE AND GROWING.

AT LEAST 23 MILLION AMERICANS LACK THE BASIC READING, WRITING AND COMPUTATIONAL SKILLS NECESSARY TO FUNCTION EFFECTIVELY IN OUR SOCIETY. ABOUT 45 MILLION ADDITIONAL ADULTS READ WITH ONLY MINIMUM COMPREHENSION. WE CANNOT EXPECT WORKERS WHO CAN'T READ A ROAD SIGN TO CONTRIBUTE TO AN ECONOMY THAT IS INCREASINGLY HIGH-TECH. THE MAJORITY OF AMERICAN JOBS ARE PLACING MORE AND NEW DEMANDS ON EMPLOYEES. THE AVERAGE AMERICAN WORKER TODAY MUST HAVE SKILLS AT A NINTH-TO-TWELFTH-GRADE LEVEL, NOT THE FOURTH GRADE LEVEL TYPICAL AFTER THE SECOND WORLD WAR. AND THE STANDARDS KEEP RISING. BETWEEN NOW AND THE YEAR 2000, EMPLOYMENT IN PROFESSIONAL AND MANAGERIAL JOBS WILL INCREASE BY 5.2 MILLION, WHILE OPERATIVE AND LABORER POSITIONS WILL GROW BY ONLY 1.3 MILLION.

WE ALSO FACE THE REALITY THAT WE HAVE A GROWING POPULATION IN THIS COUNTRY WHO SOME HAVE TERMED AN 'UNDERCLASS.' MINORITIES, ESPECIALLY BLACK AMERICANS, HISPANICS, AND PERSONS WITH DISABILITIES DOMINATE THE POOL OF UNWANTED AND INCREASINGLY UNUSED LABOR. PROFESSOR THEODORE HERSHBERG, OF THE UNIVERSITY OF PENNSYLVANIA, SOMEONE WHO IS A MAJOR FIGURE IN PHILADELPHIA'S PLANNING FOR THE FUTURE, RECENTLY WROTE THAT "FINDING WAYS TO BRING THE UNDERCLASS INTO THE AMERICAN MAINSTREAM IS THE FOREMOST CHALLENGE FACING PHILADELPHIA AND THE NATION."

THERE IS A GROWING RECOGNITION THAT WE NEED TO MAKE EDUCATION AND TRAINING A HIGHER PRIORITY AT THE NATIONAL LEVEL. BUT WE FRANKLY NEED STRONGER NATIONAL LEADERSHIP TO MAKE THIS GROWING RECOGNITION BEAR FRUIT IN OUR BUDGETING PRIORITIES. THERE IS SIMPLY NO QUESTION THAT WE WILL NEVER MEET OUR NATION'S TRAINING NEEDS, AND WILL NOT REACH THE LONG-TERM UNEMPLOYED OR 'HARD TO SERVE,' IF WE CONTINUE TO SERVE ONLY 4% OF THOSE ELIGIBLE UNDER THE JOB TRAINING PARTNERSHIP ACT.

TRAINING AND EDUCATION ARE NOT INEXPENSIVE -- TAXPAYERS PAY ABOUT $4200 A YEAR TO SEND A CHILD TO SCHOOL -- BUT THE COST OF NOT EDUCATING AND TRAINING IS A GREAT DEAL HIGHER. IT COSTS ABOUT $14,000 A YEAR TO KEEP A PRISONER IN JAIL; AND 62% OF ALL PRISON INMATES ARE HIGH SCHOOL DROPOUTS. PENNSYLVANIA STATE UNIVERSITY ESTIMATES THAT THE COSTS TO AMERICA OF THE FAILURE TO EDUCATE AND TRAIN DISADVANTAGED YOUNG MEN AND WOMEN FOR EMPLOYMENT IS $225 BILLION EACH YEAR -- IN LOST PRODUCTIVITY AND WELFARE PAYMENTS AND EXPENSES RELATED TO CRIME PREVENTION AND THE CRIMINAL JUSTICE SYSTEM.

I HAVE INTRODUCED A BILL TO INCREASE FUNDING FOR THE JOB TRAINING PARTNERSHIP ACT AND TO MORE CAREFULLY TARGET THESE FUNDS TO REACH THE ECONOMICALLY DISADVANTAGED. BRIEFLY, THE BILL WILL CHANGE THE FORMULA FOR FUND DISTRIBUTION; CREATE A SEPARATE PART IN TITLE II TO SERVE YOUTH AGED 16 THROUGH 24 IN YEAR-ROUND PROGRAMS AS WELL AS SUMMER PROGRAMS; MODIFY THE PRIVATE INDUSTRY COUNCIL MEMBERSHIP TO INCLUDE A BROADER COMMUNITY REPRESENTATION WHILE KEEPING THE MAJORITY PRIVATE SECTOR REQUIREMENT; AND CREATE A NEW YOUTH CHALLENGE GRANT PROGRAM TO TARGET 'AT RISK' YOUTH.

THE 'ILLITERACY ELIMINATION' INITIATIVE I WILL INTRODUCE IN THE NEAR FUTURE WILL EXPAND EXISTING EFFECTIVE PROGRAMS -- SUCH AS THE LIBRARY LITERACY PROGRAM OF THE LIBRARY SERVICES AND CONSTRUCTION ACT AND THE VISTA LITERACY CORPS -- AND WILL PROVIDE NEW FOCUS AS WELL AS INCREASED FUNDING TO PROGRAMS SUCH

AS THE ADULT BASIC EDUCATION ACT. IT WILL ESTABLISH A CABINET LEVEL COUNCIL TO COORDINATE LITERACY EFFORTS AT THE HIGHEST FEDERAL LEVEL, AND WILL ESTABLISH A NATIONAL CENTER ON LITERACY TO FUND RESEARCH AND DISSEMINATION OF INFORMATION ON THE LITERACY PROBLEM. IT WILL ALSO INCREASE FUNDS FOR THE WORKPLACE LITERACY PROGRAMS AND PROVIDE FUNDS FOR A 'CHALLENGE GRANT' PROGRAM TO EXPAND AND INCREASE PUBLIC/PRIVATE SECTOR PARTNERSHIPS IN FIGHTING ILLITERACY.

I WELCOME THE INFORMATION WE WILL RECEIVE FROM THE EXPERT WITNESSES WE HAVE BEFORE US TODAY AND WILL WELCOME YOUR CONTINUED SUGGESTIONS AS WE TRY TO WORK WITH YOU AT THE FEDERAL LEVEL TO COMBAT THESE SERIOUS PROBLEMS -- AND TO BRING HOPE TO THE MILLIONS OF OUR FELLOW AMERICANS WHO SURVIVE TODAY IN POVERTY AND DESPAIR.

THANK YOU AGAIN FOR YOUR GENEROUS HOSPITALITY IN THIS GREAT CITY OF BROTHERLY LOVE.

STATEMENT OF HON. W. WILSON GOODE, MAYOR, CITY OF PHILADELPHIA

Mayor **Goode**. Mr. Chairman, I am delighted to be here before this Subcommittee on Employment and Productivity. I welcome your presence here and thank you for this opportunity to share my thoughts on this most critical piece of legislation, as well as your proposed Illiteracy Elimination Act.

There is nothing more important to the future of this country than the successful preparation of our youth of today.

The enormity of this challenge is reflected in the alarming information which confront us every single day.

One out of three high school freshman drops out before graduation; one million nationwide. Four out of ten adults cannot read above the fourth grade level; 23 million nationwide.

Only 23 percent of those born in poverty are likely to escape poverty in their lifetime. And also, that for the first time in the history of this country educational skills of one generation will not surpass, will not equal, will not even approach those of their parents.

This information is even more devastating when isolating the potential labor pool for urban America; a labor pool almost exclusively dominated by young, uneducated, poor Blacks and Hispanics.

We are not here to talk just about numbers and stats. We are here to talk about the hopes and dreams of men, women, and children; hopes and dreams which have been dashed by Federal Government unwilling to adequately confront the challenge of poverty in urban America.

We are all now witness to the consequences of the 8 years abandonment of this Nation's poor, devastating drug use, abuse and the a rise of drug related crimes.

If we really want to fight the war against drugs, we will use the best weapons we have; education and job training. That is why this legislation is so important, for it is one of the only tools we have to help those who need the resources to avoid drugs.

Along with other Mayors of large urban centers, I have been waiting these past 8 years for the Federal Government to come here and see how the fight to educate and train our children is being fought in the trenches.

For the most innovative, cost-efficient, and successful programs of education and job training have been developed by urban America.

The Director of the Private Industry Council, David Lacey, will comment on our achievements in job training and provide specific recommendations on the amendment to JTPA later.

But I want to applaud your efforts to increase funding for youth and high school academies, and urge you to look at the City's demographics, rather than those of the state in developing allocation formulas.

In Philadelphia we estimate that one-third of our adult population is in need of basic skills. We believe that this situation diminishes their personal opportunities and hinders our city's progress.

To address this tragic situation, I established a Literacy Commission 5 years ago, which is now a model for the Nation.

Since its inception, it has served more than 24,000 adults at 560 sites city-wide, but that is equally as impressive and important is how we have served those in our community who could not read and write.

We have trained more than 6,000 volunteers to tutor on a one-to-one basis utilizing the largest number of VISTA volunteers in the Nation, 94. We prepped you well, I see, Senator. I appreciate that.

Beyond the one-on-one training, we have also employed a wide range of media to offer literacy services.

These initiatives include printed and televised GED series, an English lesson radio series, and a low level column for adults published three times weekly in one of our local newspapers.

And our initiatives have extended beyond our illiterate population to bring the community at large into the solution of this problem.

IBM has made major contributions to the campaign, equipping a university learning center and three satellites, as well as providing 150 computers and an executive on loan.

Movie theatres have agreed to show a 2 minute film, featuring Dr. J., showing the effects of illiteracy, and the Commission hosted to national conferences on urban literacy and professionals and for a National Adult Literacy Congress for Learners.

I want to just say in conclusion that I am very, very pleased for this conference. And Dave Lacey will talk with you more about the success of the pick of our program.

But I want to say that we are very serious about trying to give to people the ability to learn how to read or how to write, and how to function within our society.

I personally became involved in this fight when several years ago, 5 years ago, on the headline of our local newspaper, the magazine section, there was a headline that says that four out of ten Philadelphians cannot read the headlines on this newspaper.

That was alarming to me, four out of ten cannot read the headlines on this newspaper. And as I thought about that, that is 40 percent of our adult population, 40 percent who cannot read directional signs, cannot help their fifth and sixth grader with their homework, cannot indeed read many books, the Bible, for example.

We found that in many of our churches that there were people who could not read and would not come because of that. We find that the inability to function at a fourth, and fifth, and sixth, and seventh grade level sometimes is a real problem for many of our citizens.

Secondly, we are living in a computerized age, and if you cannot read and write there are many jobs that you cannot function on.

We were talking this morning earlier with a group of business people about how difficult it is to find people to work on jobs; engineers, but not just engineers, carpenters, finishers, masonry finishers. We are finding it very difficult to find people to place on those jobs.

We believe that there is nothing more important than to provide our young people, provide our adults with education and with job training.

Thank you for your leadership in this area. Thank you for coming to Philadelphia. Thank you for giving us some hope that things can in fact change. We commit ourselves to work with you, to support you in your efforts, and to lobby all we can for passage of your Bill.

Thank you very much.

[The prepared statement of Mayor Goode follows:]

STATEMENT OF
W. WILSON GOODE, MAYOR
CITY OF PHILADELPHIA

BEFORE THE SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY
UNITED STATES SENATE

MAY 1, 1989

GOOD AFTERNOON SENATOR SIMON AND MEMBERS OF THE SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY. I WELCOME YOUR PRESENCE HERE AND THANK YOU FOR THIS OPPORTUNITY TO SHARE MY THOUGHTS ON THIS MOST CRITICAL PIECE OF LEGISLATION AS WELL AS SENATOR SIMON'S PROPOSED ILLITERACY ELIMINATION ACT. FOR THERE IS NOTHING MORE IMPORTANT TO THE FUTURE OF THIS COUNTRY THAN THE SUCCESSFUL PREPARATION OF OUR YOUTH TODAY.

THE ENORMITY OF THIS CHALLENGE IS REFLECTED IN THE ALARMING STATISTICS WHICH CONFRONT US EVERY DAY:

- 1 OUT OF 3 HIGH SCHOOL FRESHMEN DROPS OUT BEFORE GRADUATION--1 MILLION NATIONWIDE.
- 4 OUT OF 10 ADULTS CANNOT READ ABOVE THE 4TH GRADE LEVEL--23 MILLION NATIONWIDE.
- ONLY 23% OF THOSE BORN IN POVERTY ARE LIKELY TO ESCAPE POVERTY IN THEIR LIFETIME. (ADAMS DUNCAN AND ROGERS STUDY, UNIVERSITY OF MICHIGAN, 1988).
- THAT FOR THE FIRST TIME IN THE HISTORY OF THIS COUNTRY, "THE EDUCATIONAL SKILLS OF ONE GENERATION WILL NOT SURPASS, WILL NOT EQUAL, WILL NOT EVEN APPROACH THOSE OF THEIR PARENTS". (PAUL COOPERMAN IN A NATIONAL RISK, 1983).

THESE STATISTICS ARE EVEN MORE DEVASTATING WHEN ISOLATING THE POTENTIAL LABOR POOL FOR URBAN AMERICA: A LABOR POOL ALMOST EXCLUSIVELY DOMINATED BY YOUNG, UNEDUCATED, POOR, BLACKS OR HISPANICS.

BUT WE'RE NOT HERE TO TALK JUST ABOUT STATISTICS, WE'RE HERE TO TALK ABOUT THE HOPES AND DREAMS OF MEN, WOMEN AND CHILDREN. HOPES AND DREAMS WHICH HAVE BEEN DASHED BY A FEDERAL GOVERNMENT UNWILLING TO ADEQUATELY CONFRONT THE CHALLENGE OF POVERTY IN URBAN AMERICA. WE ARE ALL NOW WITNESS TO THE CONSEQUENCES OF THE EIGHT YEAR ABANDONMENT OF THIS NATION'S POOR---DEVASTATING DRUG USE, ABUSE AND THE RISE OF DRUG RELATED CRIME.

IF WE REALLY WANT TO FIGHT THE WAR AGAINST DRUGS, WE WILL USE THE BEST WEAPONS WE HAVE---EDUCATION AND JOB TRAINING. THAT IS WHY THIS LEGISLATION IS SO IMPORTANT. FOR IT IS ONE OF THE ONLY TOOLS WE HAVE TO HELP THOSE WHO NEED THE RESOURCES TO AVOID DRUGS.

ALONG WITH OTHER MAYORS OF LARGE METROPOLITAN CENTERS, I HAVE BEEN WAITING THESE PAST 8 YEARS FOR THE FEDERAL GOVERNMENT TO COME HERE AND SEE HOW THE BATTLE TO EDUCATE AND TRAIN OUR CHILDREN IS BEING FOUGHT IN THE TRENCHES. FOR THE MOST INNOVATIVE, COST-EFFICIENT, AND SUCCESSFUL PROGRAMS OF EDUCATION AND JOB TRAINING HAVE BEEN DEVELOPED BY URBAN AMERICA.

THE DIRECTOR OF THE PRIVATE INDUSTRY COUNCIL WILL COMMENT ON OUR ACHIEVEMENTS IN JOB TRAINING AND PROVIDE SPECIFIC RECOMMENDATIONS ON THE AMENDMENT TO THE JTPA, BUT I APPLAUD YOUR EFFORTS TO INCREASE FUNDING FOR YOUTH AND HIGH SCHOOL ACADEMIES AND URGE YOU TO LOOK AT CITY DEMOGRAPHICS RATHER THAN THOSE OF THE STATE IN DEVELOPING ALLOCATION FORMULAS.

IN PHILADELPHIA, WE ESTIMATE THAT 1/3 OF OUR ADULT POPULATION IS IN NEED OF BASIC SKILLS. A SITUATION WHICH BOTH DIMINISHES THEIR PERSONAL OPPORTUNITIES AND HINDERS OUR CITY'S PROGRESS. TO ADDRESS THIS TRAGEDY, I ESTABLISHED A LITERACY COMMISSION 5 YEARS AGO, WHICH IS NOW A MODEL FOR THE NATION.

SINCE ITS INCEPTION, IT HAS SERVED MORE THAN 24,000 ADULTS AT 560 SITES CITY-WIDE. BUT WHAT IS EQUALLY AS IMPRESSIVE AND IMPORTANT IS HOW WE HAVE SERVED OUR ILLITERATE POPULATION.

WE HAVE TRAINED MORE THAN 6,000 VOLUNTEERS TO TUTOR ON A 1 TO 1 BASIS, UTILIZING THE LARGEST NUMBER OF VISTA VOLUNTEERS IN THE NATION (94).

BEYOND 1 ON 1 TRAINING, WE HAVE ALSO EMPLOYED A WIDE RANGE OF MEDIA TO OFFER LITERACY SERVICES. THESE INITIATIVES INCLUDE PRINTED AND TELEVISED G.E.D. SERIES, AN ENGLISH LESSON RADIO SERIES, AND A LOW LEVEL COLUMN FOR ADULTS PUBLISHED THREE TIMES WEEKLY IN ONE OF OUR LOCAL PAPERS.

AND OUR INITIATIVES HAVE EXTENDED BEYOND OUR ILLITERATE POPULATION, TO BRING THE COMMUNITY-AT-LARGE INTO THE SOLUTION OF THIS PROBLEM. I.B.M. HAS MADE MAJOR CONTRIBUTIONS TO THE CAMPAIGN, EQUIPPING A UNIVERSITY LEARNING CENTER AND THREE SATELLITES, AS WELL AS PROVIDING 150 COMPUTERS AND AN EXECUTIVE-ON-LOAN.

MOVIE THEATERS HAVE AGREED TO SHOW A 2 MINUTE FILM, FEATURING JULIUS ERVING, SHOWING THE EFFECTS OF ILLITERACY; AND, THE COMMISSION HOSTED TWO NATIONAL CONFERENCES ON URBAN LITERACY FOR PROFESSIONALS AND A NATIONAL ADULT LITERACY CONGRESS FOR LEARNERS.

I AM PLEASED TO BE ABLE TO PROVIDE YOU WITH THIS INFORMATION AND I APPLAUD THIS SUBCOMMITTEE FOR COMING TO PHILADELPHIA TODAY. I HOPE THAT THE REVIEW OF SOME OF OUR INITIATIVES WILL HELP YOU FORMULATE MORE COMPREHENSIVE JOB TRAINING AND ILLITERACY ELIMINATION ACTS.

I AM AVAILABLE FOR ANY QUESTIONS YOU MAY HAVE.

Senator SIMON. I thank you, Mr. Mayor, and I applaud your leadership. When you mentioned engineers, I just read the other day that last year Japan graduated twice as many electrical engineers as we did this past year, and they have half our population.

We are not utilizing the human resources that we have as we ought to be utilizing them. And we have to do better.

Let me just also note one point that you mentioned, and that is your comment that the Federal Government has been unwilling to confront the challenge of poverty in urban America.

We are increasingly segregating ourselves on the basis of economics, and we are concentrating the poor in our cities. And we are just going to have to give people an opportunity.

I serve on the Education Subcommittee. We had your Superintendent of Schools from Philadelphia in to testify about the preschool programs.

You do more in Philadelphia than any other major urban center in the Nation in preschool programs. Yet, when I asked her—and she talked about what was happening—what percentage of the children are you reaching who you really ought to be reaching, she said about 20 percent. That means 80 percent even in the city that is doing the best are falling through the cracks.

We talk about the JTPA program. We are reaching about 5 percent of those we ought to be reaching in that program.

So I applaud your statement. Let me ask you this, Mr. Mayor. Do you sense any difference over the past 8 years? Are you sensing any greater sensitivity on the part of the new Administration?

Mayor GOODE. Well, I had a chance to spend some time with Secretary Dole when she was here. And I sense a real recognition of a need to do something about the problem.

I sense that Secretary Kemp wants to become more involved in solving urban problems. And Secretary Bennett, I believe, wants to go out there and get involved in solving the problem of drugs in our urban centers.

I do not sense that there are resources behind the word. The words sound very pretty now. They sound good. They are music to my ears, but all of us who have been around a long time know that in order to make things work we have to take those words and translate them into programs that are funded in the trenches.

And we cannot fight this war against illiteracy and against drugs and against poverty with words. We need money. We need the resources. We need some more tools here in the trenches.

I do not see those tools currently. I see certainly from the rhetoric better intentions, more concern, but I do not see, I do not see, I do not see any money in back of the words.

Senator SIMON. Many of us on the Washington scene have come to pretty much the same conclusion, and we hope we can change that. With the leadership of people like you stating candidly what the situation is, I hope that will change.

Mayor GOODE. If needed, I will bring all the Mayors to Washington and tell you that. [Laughter.]

Well, we will not call for that right now, Mr. Mayor. [Laughter.]

Senator SIMON. We thank you very, very much for your testimony, and for your leadership.

Mayor GOODE. Thank you.

Senator SIMON. We next have a panel of Mrs. Robert Casey, Thomas Gilhool, and Harris Wofford.

And while they are seating themselves, let me mention that Cheryl Smith and Judy Wagner of our staff have done a great deal of work on this, and we are grateful for their efforts.

Mrs. Casey is the wife of the Governor of the State of Pennsylvania. We are honored to have you here, Mrs. Casey.

STATEMENT OF MRS. ROBERT P. CASEY, GOVERNOR'S RESIDENCE, HARRISBURG, PA, ACCOMPANIED BY THOMAS GILHOOL, SECRETARY, DEPARTMENT OF EDUCATION, HARRISBURG, PA; AND HARRIS WOFFORD, SECRETARY, DEPARTMENT OF LABOR, HARRISBURG, PA

Mrs. CASEY. Thank you.

Senator Simon, when my husband expressed his hopes and dreams for Pennsylvania on Inaugural Day in 1987, he cast in terms of family.

"Like a good family," he said, "we will be both strong and compassionate." "Good families stay together, grow together, work together, and move into the future together. And like any good family," he said, "the family of Pennsylvania must leave no one out and no one behind."

Let me repeat that last line, "the family of Pennsylvania must leave no one out and no one behind."

It is this vision, this conviction that has been the vision and the mission of his administration, and it has guided my personal involvement in literacy.

I am here today to introduce a member of my husband's administration, a man who has a heavy responsibility to make sure that the family of Pennsylvania indeed leaves no one out and none behind.

I am here also today to salute you, Senator Simon, a man to whom the values of compassion and service are not an abstraction, but rather tangible goals toward which public service is aimed and by which it can be judged.

We are here today to discuss legislation which reaches out to those men and women who are most in danger of being left out and left behind, the illiterate and the untrained.

I am proud of our commitment and accomplishments over the past 2½ years in this area, and aware of the challenges ahead.

Let me cite a few examples. We have more than tripled State funding for adult literacy from $2 million in 1986 to $7 million in 1988. Our Department of Education requires that at least 40 percent of the Job Training and Partnership Act State Education Grant be spent locally on adult literacy.

An inter-agency task force on adult literacy has been formed to coordinate all State, local and Federal efforts in this area.

The man that I will introduce to you in a minute will speak in more detail about the legislation before you, but I did want to mention one other theme we are emphasizing which we hope you will consider in your legislation.

We all know the power of community service changes the lives of the ones serving as well as the recipient. My husband launched the

PennSERVE program and gave it the mission to inspire all Pennsylvania citizens to engage in some form of community service.

I am proud that this community service includes over 10,000 volunteer literacy tutors in Pennsylvania. But we must do even more. We must succeed in making Pennsylvania truly a family.

Tutors and mentors and big sisters and big brothers must become a common expectation if we are to solve the problems of literacy and poverty and joblessness.

I am delighted that we will be launching a Literacy Corps next year to enlist college students in the fight against illiteracy.

We are spreading a network of student service and conservation corps all across the State.

We look to a day in which community service will be a part of every school in the Commonwealth.

Senator Simon, I take great pleasure in presenting Mr. Thomas Gilhool, our Secretary of Education.

Mr. GILHOOL. Thank you, Helen.

Mr. Chairman, welcome to the Nation's premier state in augmenting the literacy of all of its citizens, and welcome, as you have so pointedly put it, to our Nation's premier city in this as in so many undertakings central to our identity as a Nation.

First, let me salute you and your able colleagues for over decades your contributions to the children and the working people of our Nation.

From the outset of the Casey Administration, Senator Simon, Pennsylvania's First Lady and her husband, Robert Patrick Casey, have placed adult literacy at the very top of our agenda.

Indeed from before the outset of the Administration that was so, for it was from this building on Logan Square in August of 1986 in the midst of the Governatorial campaign that the Governor and his to be First Lady challenged the Pennsylvania General Assembly to invest in the literacy of its adult citizens.

And before that campaign was ended, in consequence of that challenge the General Assembly had adopted Pennsylvania's very first literacy program.

In the 2 years since, Governor and Mrs. Casey, with the help of the General Assembly, have made that $2 million $7 million in state funds to which nearly half, in fact, 40 percent required, but nearly half as a matter of fact of JTPA's funds have been devoted to literacy, augmented as well by the Federal dollars under the Adult Basic Education Act.

Ellen has spoken to you of our pride in the Administration's proposal to the General Assembly for the establishment of a Literacy Corps, which will engage and support and nurture the contribution of college and university young people to other adults and to young people in mastering the skills of literacy.

Twenty-five years ago I had the pleasure of chairing the Northern Student Movement and founding in this City the Philadelphia Tutorial Project and in Harlem, the Harlem Education Project, and in Prince Edward County in Virginia, the schools that substituted for the then officially closed schools.

What the Governor and Mrs. Casey have said to Pennsylvania's young people is, come back and attend to your obligations to serve your fellow citizens.

This is a spirit of partnership which has redounded in these several years, and most particularly around literacy. Our colleagues in the Casey Administration at the Department of Transportation, together with the American Federation of State, County and Municipal Employees last year sought and this year are putting to work a grant of $1 half million to support a model demonstration to improve work place literacy among operators of heavy equipment, truck drivers and the rest employed by this Commonwealth.

That is simply an illustration of what has followed from the leadership of Pennsylvania's Federation of Labor CIO and their commitment, along with the captains of industry and business to workplace literacy.

The First Lady, with some of our distinguished colleagues in public television from Pittsburgh, has been at the heart of the focus this year and next of Project Literacy US, public television and radio, the American Broadcasting System upon family literacy limning, repeating, extending to many more communities in Pennsylvania and in the Nation what is happening now in some 67 schools in Pennsylvania where young children in Chapter 1 see their parents that work evening sometimes with the same computers and the same teachers themselves mastering computer literacy, reading, writing, expression, and all of the rest.

All of this has earned for Ellen Casey, with whom I am extraordinary pleased to appear before you today, the 1989 Distinguished Service to Literacy Award of the Trustees of the American Library Association.

Under the Governor's direction, and if truth be told, under the First Lady's direction, Harris Wofford and our other colleagues in the Cabinet have attended across the usual lines of agency and division and difficulty together to make diverse and disparate funding streams and programs take on together a coherence.

And I want to spend just a moment celebrating because I think they speak particularly to the proposals that you have made for the reauthorization and the amendment of the JTPA statute.

In a very real sense what Harris Wofford and the Secretary of Public Welfare and the Secretary of Health and Community Affairs and I, at the Governor and the First Lady's direction, have sought to do is to put these dollars, unrich as they may be, but nonetheless a handsome set of dollars to work so that we may bring to young children and to adults the very best practices, the programs which have a track record of success in increasing literacy, job readiness and accomplishment in education and in the work place.

There are three programs particularly that I think may inform the reformulation the JTPA statute. First, we will use in this year, Senator, some $1.5 million in the state education grant of JTPA, of which we draw about $12 million, to support the summer training and education program and to do so in 9 SDA's on 13 sites reaching 1300 young people, most often rising ninth graders 100 by 100, in each instance who are predicted for dropping out probably in ninth grade, let alone before finishing high school.

Last summer in three sites, the City of Chester, the City of Redding, and six upstate rural counties of Pennsylvania we had the pleasure of replicating this national model, a model invented in Philadelphia by the Corporation for Public/Private Ventures.

The model joins together in unique fashion three dimensions; summertime attention to academics to the learning and further mastery of mathematics and reading, summer jobs, and attention in a formal and on the job way to life skills.

That combination we now know from this and similar programs has the possibility of advancing in the learning and the integration of learning with life for young children as few models have had.

In Pennsylvania we have added two dimensions to the step. One is an insistence that what happens the first summer and the second summer should inform and contribute to the restructuring of what happens term time in that year between the summers and in the remaining years of high school.

It was in Chester and in Redding where not only did the children retain across summer their skills in mathematics and reading, but they augmented those skills most significantly.

It was in those two communities where West Chester University, with respect to Chester, and the Redding Community College, with respect to Redding, before summer had ended came forward to add still another dimension, guarantees supplementing in Chester by the Scott Paper Company and whole hog for every one of the 100 children in Redding by the Community College, guarantees at the close of their high schooling of a college education and its full cost.

In Chester some 20 graduate students from West Chester now are working with those 100 young people and their families as mentors.

That summer experience exceeded our wildest hopes. Our ability to put state education grants to work on such programs, whose track record is demonstrated, is crucial to our ability to transform the schools as well as to transform the talents of young people and adults so that we may transform and sustain the work place.

The second national program that we have replicated in Pennsylvania with state education grant funding is Jobs for America's Graduates, in operation now in five service delivery areas in seven high schools, in its first year of operation reaching some 300 students.

A third, and this something of a home-grown invention, home grown here in Philadelphia, but supported significantly with the dollars of which we are speaking, it is to draw into the high school the job service of the Department of Labor and industry and to make those services on-site available to high school and junior high school students.

For we know that if young people are working part-time up to 20 hours, not beyond, it turns around beyond, but up to 20 hours, that work sustains their engagement in school and leads to greater completion rates, a higher performance in the classroom and in learning.

Those three programs, Mr. Chairman, and our experience with them cause me, after first extending to you our thanks for your leadership in thinking through the next Chapter under JTPA, to take a few moments on several particular proposals that you have made for its reconstruction.

First, I thank you and we strongly support your effort to clarify the Act's structure by establishing two distinct parts, now somewhat intermixed to the confusion and the operational difficulty of all of us, two distinct parts for adults and for youth.

The existing structure requires 40 percent of the funds in II-A to be spent on youth, and requires in a separate Chapter II-B, the Summer Youth Employment and Training Program.

Those two parts together in Section II-B, as you proposed, will be mean a great deal to us in our ability to focus the JTPA resources upon young people, both during the summer and in the reconstruction of school and other programs throughout the year.

We appreciate and support strongly your proposal to establish performance standards for adult programs which reach both to employment skills and to the acquisition of basic skills.

We have borrowed, as the Pugh Foundation recommended 2 months ago, for other territories of the life of education the performance standards approach of the Job Training and Partnership Act.

The Governor has proposed that certain dollars for higher education should flow to them only if they bring tuition under control so that higher education may be more affordable to families of low income.

And just behind that we will borrow further from JTPA and as Pugh suggests that dollars should flow to higher education as they increase the proportions of children from families with incomes under $25,000.

But for JTPA itself to extend those performance standards to the acquisition of basic skills is a most important step forward.

Third, your proposed amendment to make plain the reach of the JTPA programs for youth to year round programs is against the back drop of the summer training and education program about which I spoke a moment ago, is an especially welcome undertaking and initiative.

To require a linkage between the schools and the SDA's for purposes of coordination, data collection, and building the strongest and most effective programs both in the work place summertime, in the work place beyond summertime, and in the schools in an integrated fashion seems to us just crucial.

And fourth, let me thank you for your attention to making plain the representation which should come with the Private Industry Councils of the schools, indeed of institutions of higher and basic education.

It has always been a source of fascination to me that in the current JTPA Act we see one of those few occasions when the Congress legislated in parenthesis just after saying 51 percent of the Private Industry Councils shall be composed of the leaders of business and industry from the private sector, the current Act said, and then you shall turn to educators, parenthesis, representatives of all sectors of education.

My colleague, the Secretary of Labor and Industry, and the rest of us in the Casey Administration have been eager to realize the potential of the Private Industry Council as forums where educators, basic education and higher education, and business people may together think through the work place demands of our time and integrate the performance of the schools to those work place demands.

Your proposal quantifying the required membership of educators on the Private Industry Councils at 25 percent is most welcome.

And, finally, I appreciate that unlike the United States Department of Labor and their recommendation that zero state education grant money should be in the hands of responsible state education officials, I appreciate at the least that your proposed statute would hold it at 5 percent for myself, as the chief state school officers of the country, particularly if we can get the school business and industry integrating provisions that you have proposed, we would encourage you indeed to consider moving those state dollars above the 8 percent where they have sat for the last several years.

Thank you, Mr. Chairman, for your undertakings in these particulars and otherwise for children and working people.

[The prepared statement of Mr. Gilhool follows:]

STATEMENT OF THOMAS K. GILHOOL
SECRETARY OF EDUCATION
BEFORE THE SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY
COMMITTEE ON LABOR AND HUMAN RESOURCES
UNITED STATES SENATE
MAY 1, 1989

Mr. Chairman, I am grateful for the opportunity to be here today with you in this wonderful Philadelphia landmark, so appropriate for the occasion, to discuss some of the most important issues that we, together, must face and effectively address to ensure the continued well-being of our Commonwealth and of our nation. And it is a particular honor, and also very fitting, that I sit here today in partnership with my good friend Harris Wofford, the Secretary of Labor and Industry for this Commonwealth, and, of course, with Mrs. Ellen Casey, who has so graced our state for these two-and-one-quarter years as the First Lady of Pennsylvania.

Mr. Chairman, Pennsylvania's First Lady and her husband, Governor Robert Patrick Casey, have from the outset of this Administration placed the attack on adult illiteracy at the very top of their agenda. In a variety of ways they have made their commitment real. For example, in just 2 years, the Governor has more than tripled state funding for adult literacy efforts from $2 million in 1986 to $7 million in 1988. In addition, we in the Department of Education now insist that of our Job Training Partnership Act (JTPA) State Education Grant at least 40% be spent by local Service Delivery Areas on programs to enhance adult literacy. In practice, this figure approaches 50% statewide. Further, the Governor has established within his office a Task Force on Adult Literacy to coordinate all state and federal efforts, and to make recommendations for needed improvements. A major outgrowth of this group is the Governor's recently announced proposal for the establishment of a Literacy Corps, which will stimulate, support and nurture the involvement of college youth in tutoring adults in literacy skills, in exchange for credit and also possible tuition offsets. In the spirit of partnership, we in the Department of Education, working with our colleagues in the Pennsylvania Department of Transportation and the American Federation of State, County and Municipal Employees (AFSCME), last year sought and received a grant of almost one-half million dollars from the U. S. Department of Education to support a model demonstration to improve workplace literacy skills for truck drivers employed by this Commonwealth, looking forward to new federal literacy requirements as a condition of licensure which will become effective in 1992. And there are other workplace literacy programs in place throughout Pennsylvania, providing basic education skills, and also skill-specific literacy for Pennsylvania workers.

To complement the work of the Governor, the First Lady has established a record of tireless support for literacy efforts. Through state and national organizations, such as PLUS, she has demonstrated her commitment and her leadership. Mrs. Casey has participated in graduation ceremonies, literacy training programs, correctional institution literacy classes, and even extended her hospitality to the ten most outstanding adult education students in Pennsylvania by hosting a recognition ceremony in her home. In these ways and so many others, she has set a standard which few of us could hope to equal. In short, the First Lady of Pennsylvania is also Pennsylvania's First Lady for Literacy.

Senator, as you can see, the Governor and First Lady have created a climate in this Commonwealth which supports and strengthens the attack on adult illiteracy, and beckons all Pennsylvanians to join the fight. We have made great progress over the years. In fact, through the various state and federal funding sources available to us, we have served more than 100,000 adults in literacy programs in these two-and-one-quarter years. We are eager to share with you and your colleagues and staff our experience in these efforts, and heartily congratulate you for your attention to this issue today, and throughout your distinguished career of public service.

Let me thank you also for your interest and early work on amending the Job Training Partnership Act (JTPA), perhaps the most powerful fiscal and administrative tool at either federal or state level to overcome unemployment and educational deficits for America's most vulnerable citizens. You see, Senator Simon, both clearly and correctly, the essential link between employability over the long haul, and the acquisition of solid basic skills. Throughout your proposed amendments to JTPA you recognize this vital nexus, and I congratulate you for moving the debate strongly in this direction.

Let me take a few moments to comment on several of your proposals, particularly those which address basic skills and youth. First of all, I congratulate you on your efforts to clarify the Act's structure by establishing two distinct parts for adults and youth. The existing structure, with the requirement for 40% of funds to be spent on youth in II-A, and the Summer Youth Employment and Training Programs separated in II-B, often makes for a difficult transition for youth as well as for Service Delivery Areas (SDAs) trying to work between the two parts. Also, I strongly commend you for your effort to focus clearly and to target funds available under the Act to those citizens most in need of basic skills and employment training services. Additionally, your proposals to establish performance standards for adult programs which address acquisition of basic skills as well as employment skills put teeth into this goal, ensuring that JTPA programs will reflect this purpose.

I am particularly impressed with the references in your proposed amendments to year-round programs for youth. Here in Pennsylvania we have worked hard to build bridges between the schools and community organizations, particularly Private Industry Councils (PICs) and SDAs. Your amendments, it seems to me, would strongly encourage these efforts. Specifically, your proposal appropriately requires linkages between the schools and the SDAs for purposes of coordination, data collection, and building the strongest support system possible to keep students in school and help them to succeed. I am also pleased that you are proposing to arm SDAs and schools with the authority to work directly with at-risk students through the use of funds to provide additional services in year-round programs for in-school dropout-prone youth, and through the ability to give special consideration within the new youth title to serving those who are experiencing severe disadvantages. And, as with adult basic skills, your proposal for new performance standards for in-school and out-of-school youth will ensure that appropriate programs are established and funded.

Lastly, let me thank you for your attention to increasing the representation of schools on local Private Industry Councils. Secretary Wofford and his Deputy, Frank Mont, have had a good deal of success in improving the quality and quantity of education representation on Pennsylvania PICs. The fact, however, is that current law, notwithstanding its wonderfully pregnant parenthetical phrase addressing educational representation, is less than completely clear. Your proposed amendment substantially clarifies both the extent and makeup of educational representation, and I congratulate you for this very positive step.

In my remaining few moments, let me underscore for you the great value these JTPA dollars have for us in Pennsylvania. Under the Governor's leadership, Secretary Wofford and I have put in place an extraordinary array of programs designed to serve the education and employment needs of youth and adults. I will leave it to Secretary Wofford to elaborate on the Joint Jobs Initiative, an important new effort to provide education, training and social services to welfare recipients with major barriers to employment, his strides to incorporate citizen service into the JTPA framework, and the role of Job Centers in improving job training and services. Let me focus, instead, on three of our exemplary joint efforts to address the needs of youth.

Through the use of approximately $1.5 million in JTPA State Education Grant funds, we will, beginning in July, support Summer Training and Education Program (STEP) replication efforts in nine Service Delivery Areas across this Commonwealth which will serve more than 1300 students. Last year we were fortunate to be among the first three states to participate in the first wave of replications of the STEP Model, which had been earlier demonstrated in five urban areas around the nation. The STEP Model is a fifteen month program combining academic remediation, summer employment, life skills training, and school year support for 14- and 15-year-olds who are both academically and economically disadvantaged. It works in conjunction with the JTPA II-B Summer Youth Employment and Training Program and, of course, with the direct support and involvement of the schools.

Our first summer's experience exceeded even our wildest hopes. Not only did students at all three sites demonstrate that they had overcome summer learning-loss, but in two sites they actually made statistically significant progress in reading and/or mathematics. In addition, strong community support has been demonstrated in all three sites, particularly with higher education institutions. Two sites now have agreements between colleges and universities and the schools to provide financial assistance packages for STEP students completing the program and graduating from high school. STEP is not only a model intervention strategy for at-risk youth, but also, as you can see, a model for community involvement and partnership.

Another exciting national program being replicated in Pennsylvania through State Education Grant funding is the Jobs For America's Graduates (JAG) program. Ongoing now in schools in five Service Delivery Areas, the Pennsylvania JAG program is in its first full year of operation, and, when at full capacity, will serve more than 300 students in need of work readiness, transition-to-work services, and job development and placement. If, as we expect, this year's results are positive, we intend to move quickly to replicate this nationally-tested model in other Service Delivery Areas.

Finally, working hand-in-hand again with our colleagues in the Department of Labor and Industry, we have developed an exciting new model which we like to call Job Teams. Based on the Education for Employment model present in a half-dozen high schools here in Philadelphia, the Job Team approach involves the combined resources of the Service Delivery Area, the Office of Employment Security, and the schools, functioning as a true team to serve at-risk youth with an array of services, including remediation, counselling and referral to community services; job development and placement for part-time school year jobs and full-time summer jobs; and mentoring and support. The Job Team concept is underway in twelve high schools in five Service Delivery Areas across Pennsylvania, with several more planned for initiation this coming summer and fall.

Each of these exciting models involves the direct and continuing participation of both Secretary Wofford and myself. We work closely together, and we insist that our staffs do as well. It is the directive of the Governor that we coordinate and cooperate, particularly when we are addressing the needs of youth and adults who so often go unserved.

So we in Pennsylvania are working hard to make the goals, purposes, and programs of the Job Training Partnership Act (JTPA) a reality for the citizens they are designed to serve. The Governor insists that no one will be left behind. In our use of JTPA funds, we try very hard to make this commitment a reality.

It is the flexibility inherent in JTPA to be creative, to be innovative that enables us to craft programs like those I have mentioned, and which Secretary Wofford will next address. We have taken our responsibility for state leadership and stewardship under JTPA very seriously, and have endeavored to use our funds to serve those who most need our help. Given this strong emphasis in Pennsylvania on innovative state leadership, you will understand why I urge, Mr. Chairman, that you consider in your proposed amendments an increase in JTPA funds allocated for state-initiated programs, particularly with regard to the State Education Grant.

Thank you again, Mr. Chairman, for the thoughts you have expressed and the action you have taken to improve the Job Training Partnership Act. I look forward to discussing these issues with you, and to answering any questions you might have.

Senator **Simon**. I thank you, Mr. Secretary. And let me add, we will put the formal statements that you have, as well as those of the other witnesses, in the record.

And let me also congratulate you, Mrs. Casey. Forgive me. I did not realize the extent that you really have been involved in leadership on this literacy front, and I commend you for what you are doing. I think it is great.

Now the Secretary of Labor and Industry, someone I have known for 32 years. I am sure neither of us has changed at all in that 32 year period, Mr. Secretary.

I am pleased to have Harris Wofford here.

Mr. **Wofford**. Senator, that is what my wife says too. [Laughter.]

A moment of sentiment too. I counted the same 32 or 33 years for you and for the man I am representing. I also represent Ellen Casey's husband here today.

Bob Casey, 32 years ago came to a law firm in Washington, D.C. where I was working, the same year I started teaming up with you at the Martin Luther King Institute in Montgomery. It has been an important part of my life that I have been on call and in orbit with both of you off and on.

I might say that from one of you I got a job that paid me. [Laughter.]

Mr. **Wofford**. And from you, Senator, I have been called into many public causes for which I have not profited in this material world, but I am always ready at your call to respond.

Senator **Simon**. In fact you have lost money as a result— [Laughter.]

Mr. **Wofford**. Both you and Bob Casey are people with innovation, intelligence, and integrity, and it is a pleasure to be back in orbit with you and to be administering a program, the Job Training Partnership Act Program, particularly, which is under your overview and which you now through these amendments are helping to give a good shove forward to.

I second everything Tom Gilhool and Ellen Casey said. I have from page 7 on in my written testimony specifics about your amendments, which I submit for the record.

And I only want in my turn here to focus on two developments in Pennsylvania, each of which may throw some light on the Bill as it takes shape.

The first is the creation of the network of job centers, one stop job service centers that are in partnership with education and welfare departments bringing the Job Training Partnership Act Program, the Job Service, the unemployment system, and employment security systems together so that when someone enters into the 80 job centers around the state, 30 of which have been opened, 50 to go in the next few months, they will breathe the air of jobs and have access to all forms of assistance, very especially including the full range of Job Training Partnership Act Programs.

We think that this combination with the Federal funding streams in harness from which on these bases the job teams go out to the schools that Tom Gilhool told about, and the one single point of contact teams go into the county assistance offices, we think we are pointing the direction that the whole Federal employment training and job security placement system should move.

The Federal Department of Labor espouses the same direction, but there are a number of bureaucratic blocks at both state and Federal levels. We think we have overcome in the state. There are still some at the Federal level. We may submit some specifics that would give more flexibility and more of a mandate to bring these streams into one strong river.

That same metaphor, streams into a river, is pertinent to the major point I want to put before you today. As Mrs. Casey said, the Governor is committed to realizing in this state the idea, the promise, the dream that all citizens will be asked and enabled to serve their community and sustain ways and particularly all young people can participate and contribute to their communities.

We believe that the Job Training Partnership Act is crucial element in making that possible, and can be much more effectively used to accomplish it and thereby better accomplish its own goals.

If I could just make the case for that. This is related primarily to the single title for youth that would provide the year-round and the summer youth programs.

The problem with the National Youth Service proposals that you and other of us have spent years thinking about and promoting and developing and helping to move at state and Federal and local levels often is that you have one wing that is of the affluent, suburban, college, university students, white high schools, and one wing of youth service that is targeted on the poor, the disadvantaged, the unemployed, where there is a very high minority composition. And the JTPA Act program, of course, is targeted by definition and by statute.

We think the time has come to bring those two separate wings, those pincer movements together into one program, not violating the integrity of the Job Training Partnership Act program, but fulfilling its mission.

May I point specifically to the summer program, Summer Youth Employment and Training Program. That is venerable the longest probably in a sense Federal youth program born to get young people off the streets after the riots of the 1960's, carried on with improvements, particularly remedial education components being added, though they are still a minority, a fraction of the whole money.

Federally it is most than $600 million this year, though it has gone down from $45 million to $26 million, we are talking about 25,000 young people, I suppose a half a million nationally, who will have summer jobs.

Some fraction of them will get remedial education, but the largest part of that program is minimum wage summer jobs. As we are spreading the youth service program in this state, I have probed as to what those jobs are like here and there around the state.

A community college president, who is in the lead in developing college and university student service, has a number of those jobs on his campus.

I said, "What do the young people do?" He said, "They weed." I am for weeding. I love weeding, as a matter of fact. It is not a bad job. It is not a job you want to focus your career on probably, but if it were targeted with in a service context with a goal and some achievement, some celebration of it and cultivation of it, I can defend weeding jobs.

In fact, after I prompted him to look at this and he admitted that they had done nothing with those young people during the summer to make it more of an experience than the lowest paid job on campus, he went back and said, "Sure, we could turn them into a summer youth corps, and we could work with them, and we could challenge them." And he in fact thought they might do something more useful than weeding.

I think if you look across the country you will find today that mere minimum wage jobs not only are not necessarily the best way to introduce somebody to the world of work, but are hard to get young people to apply for.

The no show rates in some of the cities of this State for the young people that are invited to come in that program are getting alarmingly high because they can get better than minimum wage jobs.

We submit that those jobs can accomplish far more the work experience aim of the summer youth program if they were recast, redirected in the shape of service with goals, with leadership, with administration.

In our State we are urging that there be a 4-day wilderness outward bound challenge that would bring—and we have got probably 500 young people at least will go through that program this year that will for a few days turn them into teams with an esprit de corps and discover some of the common purpose that the outward bound program did for the Peace Corps.

There are many other ways to enhance that program, but we want to submit to yourself that this big battleship of a summer youth employment and training program needs to be turned around and redirected toward youth service, and that in doing so there is a great deal of experience that is accumulated that you will accomplish more than the minimum wage youth experience, work experience jobs as it is not constituted.

That is essentially the proposition. I have spelled it a little more in my written testimony. It is also, as you know, an old part of the idea of youth service—national service that it would be rich and poor, black and white, suburb and city, farm and town that would work together and rediscover the common good, and rediscovering the joy of working together and being asked, it seems to me that what youth most needs, and especially the disadvantaged young people, most need is to be needed, to be asked to serve and not always be in the psychological position of people doing good for them, and that turning that proposition—turning that upside down, that approach so that they are not just being offered goods and services, but they are asked and given a chance to produce service and produce goods and test themselves and discover at an early age what they are capable of doing, that that would be a major change that you could make this year that would be probably, I think, for all that President Bush is now proposing for his youth entering service to America, the biggest single move forward toward national service on a local and voluntary and practical basis that could be made by the Congress this year.

Senator **Simon**. May I ask you this very specifically? You mentioned these 500 teams, I think it is, in the wilderness——

Mr. **Wofford**. I wish it were 500 teams. It is 500 young people so far this summer. We would like 20,000 next year.

Senator **Simon**. Okay, and what specifically are you going to be asking them to do?

Mr. **Wofford**. After the 4 days in the wilderness challenge, they come back and do—for example in Philadelphia, very much the kind of work this summer that the Philadelphia Youth Service Corps, one of three youth service corps that the State Office of Citizens Service set up by the Governor, which Tom Gilhool and I cochair and John Briscoe here is the head of.

The Philadelphia Youth Service Corps is linked first of all with the habitat and rehabilitation program of dilapidated housing, and they are working under crew leaders who are trained and skilled to actually recondition, rehabilitate housing in some of the worst areas of Philadelphia. The Secretary of Labor visited one of their projects the other day.

That kind of work is the initial proposed work of the summer youth corps, though some of us are very anxious for it to move into human services, such as day care, senior citizen service, not just physical reconstruction.

Senator **Simon**. So you want the 4-day project to be a retreat?

Mr. **Wofford**. The 4 days is a retreat into the wilderness. It is a whole trade and profession that is developed in different variations of the outward bound program that takes young people into the wilderness.

A number of the service delivery area Private Industry Council people in this State went to two different things;—one, to California to see how during the summer they were using summer youth—they were enlisting summer JTPA people into youth service programs; and, second, they went into one of our wilderness areas where there is an organization that does this. We were put down the cliffs on ropes and other things, those of us that went on that mission.

Out of it 20 of our 28 service delivery areas decided they wanted to move into developing this component of their summer program. It in a full-time sense would be wilderness challenges living together in a team, after which that team, that crew then comes back and works in the summer project, only 500.

But we are asking all the Private Industry Councils and service delivery areas to look at all of their summer youths jobs, such as those community college ones I described and see whether they cannot without the wilderness challenge be recast in terms of service projects.

The Governor has called for a summer of service, and we hope at the end of this summer that we can report on how 25,000 young people from the Job Training Partnership Act Program and the full-time service youth corps and others have really made a difference in meeting some of the needs of our communities.

Senator **Simon**. And so what you would really have is much more project oriented kind of work for them?

Mr. **Wofford**. And that the people for whom they work do not view them as merely minimum wage laborers at the bottom of the heap in their agency, but view them as a challenge. Many of the agencies for whom the youth now work are outstanding pioneers.

I think you are hearing from the head of Aspira. I believe they have some of the summer youth program people. They may already be doing this. I think we will find a fair number of the people that are employing these young people are viewing them as service.

Let me just put a proposition. I think you will find a fairly high proportion of 4he young people go for 2 years, and I would submit that the best formula might be that one of the 2 years be in a good apprenticeship job and the other of the 2 years be in a good will organized youth service program.

[The prepared statement of Mr. Wofford follows:]

TESTIMONY OF

HARRIS WOFFORD
SECRETARY
DEPARTMENT OF LABOR AND INDUSTRY
COMMONWEALTH OF PENNSYLVANIA

Before

Subcommittee on Employment and Productivity

Committee on Labor and Human Resources
United State Senate

Philadelphia

May 1, 1989

As Ellen Casey and Tom Gilhool have indicated, the Casey Administration gives high priority to the battle for literacy and the cause of effective job training. We are determined , as our Governor says, to see that in the family of Pennsylvania, no one is left out and no one left behind. Our Department of Labor and Industry is doing its part through a wide range of employment and training programs, most importantly the Job Training Partnership, Job Service, Unemployment Compensation, Vocational Rehabilitation and Apprenticeship programs.

We agree that after five years of the Job Training Partnership Act it is time to evaluate its goals and determine whether the existing structure, delivery system, and services are the best we can devise to meet the needs of the workforce of the 1990s. We think that the adoption of your amendments, Senator Simon, would be a very good step forward in making the program more effective.

One of Governor Casey's first assignments to us was to achieve a far better coordination and delivery of job training and placement programs. What we found when we took office was a fragmented collection of programs dispersed throughout state government where people had to run a bureaucratic maze in order to find the program or programs that best served their needs.

Our efforts to bring these programs together led to the creation of a statewide network of Job Centers. These Centers improve our ability to help the unemployed, disadvantaged and others to gain the training, support, and placement services needed to help them find and keep a job.

Each center is a one-stop-shop where job training, rehabilitation, job placement, social services, and community organizations are located under one roof to provide a full spectrum of employment and training services. These centers also contribute to our state's overall economic development efforts by providing employers with one local site with one pool of talent from which to recruit qualified workers. By the end of this year we will have created 80 Job Centers throughout the state.

We have also taken the Job Center concept to groups with special needs such as welfare recipients, at-risk youth, and dislocated workers. Through our Single Point of Contact Program, which brings together Job Training Partnership, Job Service, educational agencies and Department of Public Welfare staff, we provide intensive case management, basic skills training, job training, and support services to welfare recipients at local public assistance offices.

Job Centers reach into schools to assist students at-risk of dropping out through a program known as Job Teams. Job Training, Job Service and school personnel provide pre-employment training, vocational counseling and work experience to at-risk youth at their schools. After a pilot program in Philadelphia, Job Teams were fully launched last fall in 12 high schools throughout the state and we plan to carry the program to more high schools this year.

Job Centers will also play a major role in our efforts to provide rapid response services to dislocated workers under the new Economic Dislocation and Worker Adjustment Assistance Act. Through the resources of the local Job Centers, employment, training, social and support services will be offered to employees and employers affected by plant closings and mass layoffs. Services will be provided in the local Job Centers, the employer's facilities or other specially designated areas such as union halls or community buildings.

Although these Job Center initiatives are substantially supported with funds from existing federal programs, they are programs created through state administrative action. In all these initiatives, we have joined forces with the Departments of Education and Public Welfare to bring together all the education and training resources available through state government. This cooperative approach is reflected in the Governor's creation of a cabinet-level Job Training Management Committee. The Committee is chaired by the Secretary of Commerce who is the Executive Director of our Economic Development Partnership and membership includes the Lieutenant Governor and the Secretaries of Education, Public Welfare, and Labor and Industry. The Committee is working to mold Pennsylvania's education employment and training programs totaling over $700 million in state and federal funds into a comprehensive and coordinated system.

One small example of this effort is the joint planning process developed in Labor and Industry, where, for the first time, we developed and issued a combined Wagner-Peyser/Job Training Partnership Act plan. This plan enables us to better coordinate our resources, particularly in the Job Centers.

These actions were not mandated by state or federal legislation. We are making them happen through cooperation and hard work. While we have been successful in these efforts, in some cases statutory and regulatory barriers have slowed our progress. We encourage any federal legislative efforts to expand the flexibility of the Governors to improve the coordination and delivery of employment and training programs.

We believe additional changes could greatly add to the quality of options available to states and Service Delivery Areas. The most important and fundamental change we propose is to recast the youth programs of the Job Training Partnership Act, especially the large summer youth employment and training program, into a training and service program with special emphasis on community youth service experience.

In Pennsylvania we have taken advantage of flexibility in the existing legislation to make available community service programs as an option for economically disadvantaged youth. We have encouraged and supported the establishment of three Urban Youth Service Corps, one of which is thriving here in Philadelphia, the other two in the Pittsburgh area. Through both our state discretionary funds and the initiative of local Private Industry Councils, Job Training Partnership Act funds have given, vital support to these youth corps, along with matching foundation, business and other local support.

We are now working actively to make community service the focus of our summer youth employment program. This summer 20 of our 28 service delivery areas will use some of their summer youth funds to organize youth into crews, lead by a paid crew leader, to work on highly visible community service projects.

These Summer Youth Service Corps build upon the strengths of the existing Title II-B program by adding to summer remediation this new form of work experience. Additional features of the summer program include a four-day wilderness challenge where the crews of summer youth corps participate in an Outward Bound type program. This component is designed to enhance self-esteem and produce an espirt de corps.

Another innovative feature of our Summer Corps, through the use of a small amount of state funds from the Governor's Office of Citizen Service, is the enrollment of a number of non-disadvantaged youth to work along side the other corps members. We believe this experience will enrich the summer experience for all youth by bringing together youth who do not usually have an opportunity to work with people who live under different economic, cultural, and environmental conditions. We have been working with officials in other states to share and extend this idea of adding youth service as a vital new dimension of our summer youth program.

Senator Kennedy, in his proposed Serve America Act, has called for the inclusion of youth service corps programs as allowable activities in the Job Training Partnership Act. These amendments would no doubt encourage Service Delivery Areas to more actively take advantage of the benefits that such programs provide to youth and their communities. But we strongly urge you to go beyond encouragement and mandate that states and Service Delivery Areas do include in their youth programs such community service components. We will submit language showing how the Act can be amended to achieve this.

This spring, we in Pennsylvania are calling for a Summer of Service. With the impetus from volunteers in our schools, colleges and youth corps, we expect young people to rally in large numbers to make a difference in their communities. A major part of this will be the public service work of some 25,000 youth in the Job Training Partnership Act summer program. If you will amend the Act to make community service the focus for the summer youth employment program, next year hundreds of thousands of young people can experience the pride and sense of success that comes from making a contribution to their community.

The summer youth employment and training program is a venerable and big battleship. We urge that as a major reform of the Job Training Partnership Act you move to turn around this huge battleship and redirect it in large part toward community service. Experience shows that work experience through well-organized community service programs can do far more to prepare disadvantaged young people for the world of work and a life of good citizenship than merely assigning them to a scattered assortment of minimum wage jobs. More than that, the work of the participants would at the same time help meet some urgent needs of the community.

We also fully support the proposal to create a year-round youth title. This change would greatly expand our ability to deliver comprehensive services to both in-school and out-of-school youth.

We further endorse the change redefining individuals up to 24 years of age as youth. Such individuals frequently need the kinds of programs operated for youth. However, through our experience in operating youth programs such as the Summer Training and Education Program, Job Teams, and Jobs for America's Graduates, we have learned that the lower age eligibility limit for youth, which is now 14, is too high. Many youth who enroll in our programs often need help long before age 14. We need to have the flexibility to offer pre-employment, basic skills and community service opportunities to youth as young 12 years of age. The current legislation does not permit such intervention.

We applaud your efforts to revise the allotment and allocation formula for both Titles II-A and II-B. In four years our Title II-A state allotment has gone from $104 million to $71 million and our Title II-B allotment from $43 million to $27 million. These are reductions of 32% and 37% respectively. During the same period the Commonwealth's economically disadvantaged population declined from an estimated 2,500,000 to 2,000,000, a reduction of 20%. Clearly the present formula does not provide the stability in funding necessary to meet the training needs of the disadvantaged. We endorse the changes which increase the share of funds allocated based on the numbers of disadvantaged in each state and Service Delivery Area. The hold-harmless provisions are also an important step towards reducing large year-to-year fluctuations in funding.

While we support the general principles behind the changes called for in your amendments, we suggest reconsideration of changes to the Title II-A state "set-asides." As you know states now have direct control over 22 percent of Title II-A funds. These funds are the dollars we use to support innovative programs such as our Joint Jobs Initiative for welfare recipients, STEP, Job Teams, statewide literacy training, youth service corps and more. The amendments call for reducing these funds to 20 percent of the Title II-A grant. If enacted, this change will restrict states' abilities to develop and implement innovations in the future. We suggest that the state set-asides be based on the combined totals of Titles II-A and II-B to allow increased flexibility in the use of the funds to build training capacity, replicate innovative programs, perform research and evaluations, and perform follow-up.

We also endorse the provisions requiring minimum representation of education and labor on Private Industry Councils. In Pennsylvania we have worked to ensure that all Private Industry Councils are representative of their community as is now the case in a majority of service delivery areas. This change will ensure fair representation of these two groups on all councils.

We also endorse the proposals to create a national program to replicate successful programs and the Youth Opportunity Challenge Grant. These components will enhance the ability of the U.S. Department of Labor and

Governors to develop and expand successful programs. We suggest, however, that the youth challenge grant be expanded to cover adult as well as youth programs.

An issue that interests the employment and training community in Pennsylvania is the proposed revisions to the performance measures. We support efforts to create standards that promote training in basic reading and mathematics and measure long-term gains in employment and earnings. We also support the proposal for separate measures for hard-to-serve individuals. We frequently hear from Directors of Service Delivery Areas that the performance standards are barriers to operating programs that target services to these individuals. Our success in developing and operating these kinds of programs has been partially due to our ability to make additional adjustments to performance measures and our willingness to do so. By establishing separate performance standards for hard-to-serve individuals, innovative programs could more easily be implemented while at the same time we would have reasonable performance expectations for these programs.

Declining resources and an improved economy have forced us to target carefully services to those most-in-need of job training services. The amendments promoting long-term training along with the ability to provide support services are provisions we have been advocating. However, we believe targeting should be a state and local decision based on the characteristics of the state and local population. Although we agree that targeting makes sense, changing the provision that permits up to 10% of Title II-A participants to be non-disadvantaged limits our flexibility to address the needs of special populations. We support maintaining the 10% window as it now exists. An additional 5% could be limited to those with two or more barriers listed in the amendments. A similar provision should be included under Title II-B.

Finally, we support the continued funding of the National Commission for Employment Policy. It is one of the few national organizations that has evaluated the programs and addressed issues of controversy in well designed and timely reports. There has been too little evaluation of the effectiveness of our programs. The relatively small investment in the Commission is well worth the products it produces.

We look forward to building on this experience to reshape existing employment and training programs into an effective vehicle for preparing the labor force for both the needs of today and of the future.

Senator **Simon**. Mr. Secretary, and Secretary Gilhool, sometimes you get discouraged as you look at the total numbers that need literacy help, but, 8 years ago for the first time when I was a member of the House, we held the first hearing in the history of Congress on the whole question. We have made some progress, but we have basically been tinkering at the edges of the problem rather than really assaulting the problem.

If all of a sudden the President of the United States or Secretary of Education Cavazos were to say to you, "Tom, just wave a magic wand, and put together the program to move on the illiteracy problem." What would you suggest?

Mr. **Gilhool**. Senator, I would want to focus such an opportunity on family literacy. As we asked the hundreds of thousands of Pennsylvanians who come forward to participate in these programs to augment their own capacity in literacy, some 27 percent of them say to us, "I am coming so I can read out loud to my children. I am coming so I can work with family members on homework and the rest."

I would, if such an opportunity presented itself, work systematically community by community to draw in the family members, not only mothers and fathers because 7 percent of the families now are on that model that in the 1950's was a given, but to draw in aunts and uncles and grandparents and older siblings and the rest in a systematic effort to build their own literacy and to reinforce the effectiveness of the schooling of young people.

If I had an opportunity to create a systematic to this literacy movement, that is the one I would choose first. What we have seen in these years, and it does the heart and the spirit enormous—it brings to them enormous elation, we have seen in Pennsylvania and elsewhere in the country an explosion of illiteracy movement.

The Governor calls for service. The citizens who have come forward from such diverse places to participate in the literacy movement, the numbers are extraordinary. The energy and the endurance with which they remain at it is impressive.

But I think we are at the point where we must become systematic in our undertakings in measuring them in determining what we have accomplished.

And I think, Senator, if I may say so, it is also a season for some set of people and with some of our friends at the National Assessment for Educational Progress and ETS, some of my colleagues of the Department, have begun to steal a few hours, a few days in order to ask ourselves, where are we in the Petagoches of adult literacy.

As a consequence, we now know. For a long time we did not realize it. As a consequence of the Elementary and Secondary Education Act of 1965 and the enormous explosion of energy and creativity in teaching approaches to the great diversity of children in our schools, we on the basic education side, on the children's side know the great array of effective Petagoches that we must draw upon.

I think it is time for some significant set of people experienced in this great explosion to sit together in order to sort out what we know about what works in the Petagoches of literacy for adults as well.

So these three things I think would be at the top of my agenda.

Senator SIMON. Thank you very, very much. Let me thank all three of you.

Mrs. Casey, we are particularly honored to have you testify here today. Keep up your good work.

Mrs. CASEY. Thank you, Senator.

Senator SIMON. Our next panel, Mr. David Lacey and Mr. Emanuel Ortiz.

Mr. Lacey is the President and CEO of the Private Industry Council of Philadelphia. We are very pleased to have you here, Mr. Lacey.

STATEMENT OF DAVID W. LACEY, PRESIDENT AND CEO, PRIVATE INDUSTRY COUNCIL OF PHILADELPHIA, PHILADELPHIA, PA, ACCOMPANIED BY EMANUEL ORTIZ, EXECUTIVE DIRECTOR, ASPIRA, INC. OF PENNSYLVANIA, PHILADELPHIA, PA

Mr. LACEY. You are welcome, Senator. Thank you very much.

In Philadelphia the PIC is a nonprofit corporation and the administrative entity for the investment and distribution of JTPA funds in the Philadelphia service delivery area.

Senator Simon, I am pleased to testify before you this afternoon on proposals, which if passed, could strengthen the Job Training Partnership Act.

Before beginning my testimony, I would like to congratulate you for your thoughtful and rigorous review of JTPA before proposing these amendments.

I appreciate your willingness to travel to Philadelphia and other cities soliciting the opinions of those of us who administer the JTPA funds and who daily face the employment and training challenges encountered by America's disadvantaged citizens and their potential employers.

Philadelphia is the fifth largest city in this country. Our population is 1.6 million. As we enter the 1990's, we, like other urban centers, are experiencing major changes in the characteristics of people looking for work and the shifts in the types of employment opportunities.

These changes, both in trainees and the local labor market, serve as a useful back drop for my remarks. First, the profile of PIC's trainees; in fiscal year 1989, our current fiscal year——

Senator SIMON. I do not mean to interrupt you. I notice it is about a nine page statement here. If it is possible, could you please summarize somewhat because we have a number of other witnesses here and I am going to ask the same for all witnesses. We will put your full statement in the record.

But proceed as you will.

Mr. LACEY. Okay. In looking at the applicant pool for this year, the applicant pool has these characteristics:

First, people have poor basic skills, many below fifth grade; second, no specific occupational skills; third, insufficient motivation and interest in working; long periods of unemployment and selection of dependency as a lifestyle; a pervasive pattern of substance abuse, either alcohol or drugs; and poor appearance and communication skills.

This profile reflects a new reality. It is markedly different from what we saw 4 years ago when PIC trainees had one, maybe two of these characteristics, but certainly not all six.

At the same time that this is happening, employees in this labor market are interested in hiring people who have a high school diploma or GED, recent study work history, neat appearance and appropriately dressed, and a positive attitude towards working and a desire to contribute, as well as good communication skills.

These hiring requirements make it extremely difficult to reduce the gap between what employers are interested in and the profile of people.

And as a result, in Philadelphia we have a supply problem, that is we need to focus more and more attention, dollars, effort, and resources on the qualities of people, rather than the demand for people in the labor market.

I might say parenthetically that services here represents 80 percent of the current jobs and the service sector overall represents 90 percent of the new jobs.

Manufacturing, three decades ago here, represented 40 percent of the total employment in this city, and today it is a little under 20 percent.

But even in manufacturing, with the introduction of computer assisted and driven equipment and the introduction of robotics, manufacturing employment is no longer a safe harbor for the less skilled or even the unskilled because these employers, like the service sector employers, put a demand or put a premium on intellectual muscle, not physical muscle.

In terms of your JTPA amendments, I would like to say first that in terms of the structure of the Board that it is important that the Board represent a diversity of constituencies, and we have endeavored to reach out to educational organizations, labor unions, and other community organizations so that we have a diverse membership at the Board level.

In terms of the PIC chairman, who currently for us is Ronald Naples, Chairman and CEO of Hunt Manufacturing, I think I would favor continuation of selecting the Board chairman as a selection decision made by the Mayor.

I think the importance of that is that there is a political dimension to our work in the sense of a political agenda for our Mayor, in terms of increasing the number of people employed, as well as in the funding of economic development projects that their be seen visible and tangible results for people in Philadelphia through employment as a result of those projects.

And both pieces of that agenda I look at as a political agenda and it is important that the Mayor continue to appoint the Chairman of the PIC Board as his elected person to respond to those political issues and their associated employment implications, as well as to be a visible and persuasive spokesperson for the work of the Private Industry Council.

I would like to just take a couple of minutes to talk about the allocation formula because I think it is critically important, and we favor the changes that you are proposing and want to say that large urban centers, such as New York, Chicago, San Francisco, and Philadelphia over the last several years have been consistently short changed.

In fact, in 1975, Philadelphia received under CETA $250 million in Federal funding, and in 1985 it was $20 million, a 93 percent cutback over a decade.

I think it is critically important that we take a look at these funding losses and we support the change in the allocation.

In addition, I would urge you to think as well about to restructure the distribution of the funding. Rather than allocating funds first based on the State's economic profile and then distributing the funds to each urban center, I would recommend that the allocation formula be factored first on the local profile.

If we begin with the local profile rather than the State profile, we eliminate the trap of masking significant differences across localities with the overall State profile which represents in my judgment nothing.

Beginning with the local profile, we have the additional positive effects of investing limited funds in the areas of greatest human need and of eliminating the inevitable carve out of funds as the dollars pass through the various levels of the Governmental bureaucracy.

I am not saying that those carve outs happen as a result of malice. I am just saying it happens. It is a fact as the dollars move from level to level.

In addition, I think that the emphasis on supportive services and providing an increasing allocation would be critical to our success.

Today in Philadelphia we provide day care, rehabilitation services, principally drugs and alcohol, and as well as occupational counseling in all variety of programs that we are doing.

Let me just jump to my concluding comment. Before the winter meeting of National Alliance of PICs, you described JTPA as an educational system. However, as the head of a PIC, I view my work as preparing work for permanent employment.

There are inherent strengths in the ways PICs work with the school district, employers, labor and community organizations. However, I do not think under any set of circumstances JTPA can be viewed realistically as an alternative educational system.

In fact, today in most of our programs we offer 200 hours of basic education. But the price tag for a PIC nationwide being a second chance educational opportunity for everyone who did not make it the first time would be significant.

In Philadelphia alone the price tag would be $2 billion. If you multiply that by in excess of 600 PICs, the price tag you are looking at is to create an educational safety net which would exceed $1.2 trillion.

In fiscal year 1989, the entire JTPA budget was $1.8 billion. Now I am not assuming here that Philadelphia is representative of every other PIC in the United States, but it does make the point in terms of developing a point of view and aligning the financial resources to match that point of view.

And as a final comment, I urge you and your Committee members not to take any action which lessens the position for importance of business people in the national partnership for employment and training work.

Over the last 7 to 8 years, business people have meant restored credibility for a public employment and training system victimized by greed, inefficiency, and inept management.

Business has meant an emphasis on placement results and training effectiveness and not simply activity. And finally, in the last years, especially the early years of this decade, after having spent from 1962 to 1982 $125 billion on Federal employment and training programs, in the last 2 years did anyone ask the question, how many trained people are working?

Business people focus and mean an effective and accountable stewardship of public monies. For all of these reasons and more subtle ones, I urge that business, its people and their organizations remain at center stage not in the wings of America's employment and training system.

Thanks for the opportunity to testify.

[The prepared statement of Mr. Lacey follows:]

Statement of David W. Lacey
President of the Private Industry Council (PIC)
of Philadelphia, Inc.
Before the Subcommittee on Employment and Productivity
United States Senate
May 1, 1989

Mr. Chairman and Members of the Subcommittee:

I am David W. Lacey, President and CEO of the Private Industry Council (PIC) of Philadelphia, Inc. PIC is a non-profit corporation and the administrative entity for the investment and distribution of JTPA funds in the Philadelphia Service Delivery Area.

Senator Simon, I am pleased to testify before you and your Subcommittee on proposals which, if passed, could strengthen the Job Training Partnership Act. Before beginning my testimony, I would like to congratulate you and your Subcommittee members for your thoughtful and rigorous review, before proposing these amendments. I appreciate your willingness to travel to Philadelphia and other cities around the country, soliciting the opinions of those of us who administer the JTPA funds and who daily face the employment and training challenges encountered by America's disadvantaged trainees and potential employers.

Philadelphia is the fifth largest city in this country. Our population is 1.6 million; and as we enter the 1990's, we like other urban centers are experiencing major changes in the characteristics of people looking for work and shifts in the type of employment opportunities.

These changes - both in trainees and the labor market - serve as a useful backdrop for my remarks. First, the profile of PIC's trainees. In Fiscal Year '89, PIC's applicant pool has these characteristics:

1. Poor basic skills - many below fifth grade level of functional competency.
2. No specific occupational skills.
3. Insufficient motivation and interest in working.
4. Long periods of unemployment and selection of dependency as a life style.
5. A pervasive pattern of substance abuse - either alcohol or drugs.
6. Poor appearance and communication skills.

This profile represents a new reality. It is markedly different from four years ago, when PIC's trainees had one, maybe two of these characteristics, but certainly not all six!

A second element of our backdrop is the hiring requirement of local employers. Philadelphia-area employers of all sizes prefer to hire candidates with these characteristics.

1. High School Diploma/GED.

2. Recent, steady work history.
3. Neat appearance and appropriately dressed.
4. A positive attitude toward working and a desire to contribute.
5. Good oral and written communication skills.

Although employers in the Philadelphia metropolitan area have experienced difficulty in recruiting new hires with these five characteristics, they have not lowered their hiring standards nor have they shown any tendency to move in that direction.

Given these hiring requirements, employers in this labor market, and indeed nationally, put a premium on intellectual muscle, not physical muscle. Over 80% of the current jobs in Philadelphia are in the service sector, and by the 1990's this sector will be even more dominant, claiming 9 of 10 jobs. In this sector, the higher-paying positions will be in professional/consulting services, health care and financial services sectors. Today, most Philadelphia's employers require reading, math and English at the 8th grade level. By the mid-90's, according to the Department of Labor's WORKFORCE 2000 Report, employers will require a minimum of a 12th grade education for most jobs.

Manufacturing in Philadelphia, which once accounted for over 40% of all jobs and was long thought to be a "safe harbor" for employing low skilled and unskilled people, now accounts for only

20% of the total number of jobs in Philadelphia. Computer-assisted or driven production equipment and robotics, to name only two of the new technologies, require more sophisticated and better skilled production workers. The net effect of these changes is an ever widening gap between the supply of people and the hiring demands of all employers.

The Job Training Partnership Act (JTPA) is core legislation, designed to respond to the employment and training needs of varied constituencies including, but not limited to, economically disadvantaged adults, at-risk youth, dislocated workers, and adult welfare recipients. Strengthening JTPA will help us respond more effectively to the training and employment needs of these groups of people.

Today, I would like to focus my testimony on five components of your proposed legislation: composition of the PIC boards, the allocation formula, support services, youth programs and the "Challenge Grants" proposal.

The structure of the PIC Board of Directors, as recommended in your JTPA amendments, requires representatives from business, educational and public service agencies, organized labor and community organizations; and proposes that the Chairman be elected from among all the other Board members, and not be appointed by the local elected official. In Philadelphia, our

Board of Directors already fits the profile recommended in your amendment: 51% represent business; 25% come from educational and public service agencies; 17% from organized labor and community organizations; and the remaining 7% represent all other sectors. This diversity of Board membership and perspective adds value to our discussions and sharpens our focus, when PIC executes its action plans. With active participation, each Board member becomes an effective ambassador for PIC's work with their respective constituencies - business, labor, education, etc.

Our current PIC Chairman -- Ronald J. Naples, Chairman and CEO of Hunt Manufacturing Company -- represents business, and is appointed by the Mayor. We strongly favor continuation of the Board Chairman as a mayoral appointment, and not Board elected. There are two important reasons for our position: first, increasing the number of employed people; and, second, gaining access to the investments in economic development are important elements of our local political agenda. Quite obviously, there is a political dimension to the work we do; and that dimension is factored into the mayoral appointment of the Board Chairman in a very visible and symbolic way. Without a close and enduring connection between business and political leaders, we are not likely to secure the necessary support for our management practices and our programs. As a final comment, a business leader as a Board Chairman insures a focus on results and effectiveness, and not just activity. Therefore, we encourage you to return the appointment of Chairman of the Board by the local elected official.

Regarding the amendment proposing to restructure the present allocation formula, we support the change placing 50% of the funding on the relative excess number of unemployed individuals and 50% on the basis of the relative number of economically disadvantaged individuals. Currently, as you are well aware, large urban centers such as New York, Chicago, San Francisco and Philadelphia, are getting short-changed in the funding process. In fact, NAPIC surveyed 50 urban PICs from January - April 1989 and discovered that these PICs had sufficient funds to serve only 3% of the eligible JTPA population. For example, each year for the past 2 years, the State of Pennsylvania received a 10% cut in funding, and the Philadelphia PIC received $5.0 million less. Therefore, we support your recommended change in the allocation formula.

However, we urge you to restructure distribution of the funding. Rather than allocating first based on the state's economic profile; and then distributing the funds to each urban center, we would recommend that the allocation formula be factored first on the profile of the local SDA (Service Delivery Area). If we begin with the local profile, rather than the State profile, we eliminate the trap of masking significant local needs with an over-all State profile representative of nothing. Beginning with the local profile has the additional positive effects of investing limited funds in the areas of greatest human need; and of eliminating the inevitable "carve out" of funds, as the dollars pass through each layer of the governmental bureaucracy.

The additional 10% funding for support services above the present allotment under Title IIA comes at an opportune time. Increasingly, we at the Private Industry Council of Philadelphia and other urban PICs are serving a population whose characteristics require more supportive services - day care, drug and alcohol rehabilitation, and occupational counseling, to name a few - during training and post placement at work. Over the past four years, we have invested more and more of our funds in comprehensive, One-Stop Training. This approach alone provides sufficient resources and time to adequately prepare people for work. One-Stop Training is the most effective and most costly alternative to prepare trainees fully for the labor market of today and tomorrow.

The amendment to shift the 40% youth requirement of Title IIA to IIB and to expand Title IIB to a year-round and/or summer youth program is another change which we support. Re-defining youth as anyone between the ages of 16-24, in lieu of the previous definition of 16-21, allows us greater freedom in developing programs for at-risk youth. We have been developing and implementing more and more year-round youth programs, particularly in connection with the School District's High School Academies and the planned restructuring of the comprehensive high schools in the Fall of 1989. However, as with most urban PICs, we will continue to provide a summer program, which combines education and work. Our program, called Phil-a-Job, reinforces the "in school" learning. Also, from a political perspective, we have created a permanent option for young Philadelphians. They now view Phil-a-Job as an institution, much like the Liberty Bell at Independence Hall.

We also applaud your proposed "Youth Employment and Training Challenge Grant" which would allow PICs and SDAs the freedom to develop and implement drop-out prevention programs, school to work transitional efforts, basic skills enhancement and more. Here in Philadelphia, we have implemented 2 exemplary programs for at-risk youth -- the Philadelphia Youth Service Corps and the West Philadelphia Improvement Corporation. Both are the result of creative partnerships with the School District, business and government. Providing "Challenge Grants" will enable us to offer more innovative programs to meet the needs of at-risk youth.

Two final comments, Senator Simon. Before the winter meeting of NAPIC in February, you described JTPA as an educational system, but PICs view their work as preparing people for permanent employment - our ultimate goal. There are many inherent strengths in the way PICs work with the School District, employers, labor and community organizations. However, I don't think that under any circumstances JTPA can be viewed realistically as an alternative educational system. The price tag for PIC being a "second chance" educational opportunity in Philadelphia alone would be $2 billion. Multiply that by 660 (the number of PICs across the country) and you're looking at an educational safety net which exceeds $1.2 trillion nationally. In Fiscal Year '89, the entire JTPA budget was $1.8 billion.

As a final comment, I urge you not to take any action which lessens the position or influence of business people in the national partnership for employment and training work. Business has meant restored credibility for a public employment and training system victimized by greed, inefficiency, and inept management. Business has meant an emphasis on placement results and training effectiveness, and not just simply activity. From 1962 to 1982, the Federal Government spent $125 billion on employment and training work; and only in the last two years did any one ask the question: How many trained people are working? Business means effective and accountable stewardship of public monies. For all these reasons and many more subtle ones, I urge that business - its people and their organizations - remain at center stage, not in the wings, of America's employment and training system. Thank you for the opportunity to testify and I'll gladly answer any of your questions.

Senator SIMON. I thank you. Before I ask you any questions, let me hear from the other member of the panel, Mr. Emanuel Ortiz.

We are very happy to have you here too. Again, we will enter your full statement in the record.

Mr. ORTIZ. Very good. Buenos Status. Good afternoon.

Mr. Chairman, my name is Emanuel Ortiz, Executive Director of Aspira, Incorporated of Pennsylvania, a local associate of the National Association of Aspira.

I want to thank you for this opportunity to speak to you today. I am particularly honored to speak before you, Senator Simon, knowing that you have been a long time support of Aspira and many of the causes that we have been involved in.

My comments today are designed to support the Senate Bill 543, which amends the JTPA, and I am here to also express my support for literacy efforts in the Latino community, and as authorized in Title VI of the Illiteracy Elimination Act.

My experience in these areas stems from my long time association with community based educational programs for Latinos, with Aspira's experience in the identification of the large numbers of illiterate and limited English proficient Latino youth and adults in Pennsylvania, and with Aspira's successful experience in its Abriendo Caminos, loosely defined as Creating Opportunities Program.

I commend you on the amendments to the JTPA and would like to offer a few comments in its review. First, I am delighted to find that you are strengthening the intent of JTPA programs to target more economically disadvantaged youth supported with a funding formula change.

Minority students and youth from low-income families are much more vulnerable to dropping out than other students. In addition to the linguistic and cultural difficulties, many of the factors that originally put our Latino children at risk did not spring up suddenly at the time that our youth reach high school.

Poor academic achievement, excessive absence and other indicators begin to surface at a much earlier age, certainly factors which our school systems must address.

And they are themselves merely symptoms of more serious social and economic problems. A lack of an equal educational opportunity and poverty exists early and can have dreadful consequences for later development.

Many of our youth are at risk even before beginning school, given their economic and familial circumstances. Growing up poor or in a single parent family, or with parents who themselves are high school drop outs increases the likelihood that our children will have difficulties with schooling, will drop out, will have no employment experience, and in fact become the youth and adults needing JTPA programs.

As you know these deficiencies do not go away when children become young adults. Because of this, often times these economically disadvantaged youth are not eligible for assisting programs that are forced to require enrollees to bring certain skills in English proficiency, and that they be highly motivated in order that the programs themselves may meet the requirements placed upon them within limited time frames.

Thus, secondly, I am happy to note that you have addressed this dilemma by funding year round remedial services programs for youth and providing funds for in school drop out prone youth.

With some reservations we are also supportive of the fair chance youth opportunity challenge grants proposed. We are particularly interested in those that bring together efforts to assist Latino and other minority youth to pursue a 2-year and 4-year college education.

If you are appalled, as I am, with the 55 percent school dropout rate for Latinos in Philadelphia, you will be equally as alarmed in knowing that only 1 percent of those Latinos that do graduate from high school go on to college.

My final response to JTPA changes relates to the need for better coordination and collaboration with all parts of our communities.

The more holistic approach, if you will, on the parts of schools and educational institutions, CBO's, labor, state and city departments, and the private sector.

The modification to include these groups in the PIC Councils is a good move in that direction. I would recommend, however, that you encourage a wider inclusion of the representative ethnic groups whenever possible. Latinos, as an example, are often left out of these Councils and boards.

I am happy to be able to report to you also on the progress of Aspira's Abriendo Caminos Project, funded by the PIC of Philadelphia and supported by local business.

It was designated as an alternative school to prepare disadvantaged Puerto Rican and other Latino youth between the ages of 16 to 21, who have dropped out of school for employment and job opportunities.

In the past 2 years, Aspira's Abriendo Caminos Program has provided training to 178 Latino youth, preparing 118 for the GED. The project will have placed 80 trainees in unsubsidized full-time employment and career related training programs.

We are equally as proud to report that 40 of these Latino youth were assisted in improving their English language proficiency.

This coming week on May 12th, at 7:00 p.m., at the Community College of Philadelphia, we will be holding our GED graduation for 55 Latino students from our Abriendo Caminos Program.

We invite you and others to attend and witness as they march in their caps and gowns they were once denied, a ray of sunshine and hope for this City, and ultimately, this Nation, for they are sure to be a part of the productive work force of the year 2000.

Gracious.

[The prepared statement of Mr. Ortiz follows:]

TESTIMONY Before the SUBCOMMITEE ON EMPLOYMENT AND PRODUCTIVITY
CHAIRMAN, U.S. SENATOR PAUL SIMON

Hearing on S.543, to amend the Job Training Partnership Act,
and on Workplace 2000: Job Training and Literacy Needs

by EMANUEL ORTIZ, Executive Director, ASPIRA, INC. OF PA

MAY 1, 1989
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MR. CHAIRMAN, SENATOR LAUTENBERG, HONORED GUESTS, FELLOW PANEL MEMBERS, LADIES & GENTLEMEN, MY NAME IS EMANUEL ORTIZ, EXECUTIVE DIRECTOR OF ASPIRA, INCORPORATED OF PA, A LOCAL ASSOCIATE OF THE NATIONAL ASSOCIATION OF ASPIRA, WHICH ADDRESSES THE EDUCATIONAL AND LEADERSHIP DEVELOPMENT NEEDS OF LATINO COMMUNITIES IN THE UNITED STATES AND PUERTO RICO.

THANK YOU FOR THIS OPPORTUNITY TO SPEAK TO YOU TODAY. I AM PARTICULARLY HONORED TO SPEAK BEFORE SENATOR SIMON, WHO HAS BEEN SUCH A LONG TIME SUPPORTER OF ASPIRA.

MY COMMENTS TODAY ARE DESIGNED TO SUPPORT S.543, AMENDING THE JOB TRAINING PARTNERSHIP ACT (JTPA), WHICH WOULD STRENGTHEN EMPLOYMENT AND TRAINING ASSISTANCE PROGRAMS, AND WOULD IMPROVE THE TARGETING OF THESE SERVICES TO ECONOMICALLY DISADVANTAGED ADULTS AND YOUTH, SUCH AS LATINOS. AND, I AM HERE TO EXPRESS MY SUPPORT FOR LITERACY EFFORTS IN THE LATINO COMMUNITY, AND AS AUTHORIZED IN TITLE VI OF THE ILLITERACY ELIMNATION ACT: VOLUNTEERS FOR LITERACY.

MY EXPERIENCE IN THESE AREAS STEMS FROM MY LONG-TIME ASSOCIATION WITH COMMUNITY-BASED EDUCATIONAL PROGRAMS FOR LATINOS, WITH ASPIRA'S EXPERIENCE IN THE IDENTIFICATION OF LARGE NUMBERS OF ILLITERATE AND LIMITED ENGLISH PROFICIENT LATINO YOUTH AND ADULTS IN PENNSYLVANIA; AND WITH ASPIRA'S SUCCESSFUL EXPERIENCE IN ITS 'ABRIENDO CAMINOS' (CREATING OPPORTUNITIES) PROGRAM.

I COMMEND YOU ON THE AMENDMENTS TO THE JOB TRAINING PARTNERSHIP ACT, S.543. IN REVIEWING IT, I WOULD LIKE TO COMMENT ON A FEW AREAS.

ECONOMICALLY_DISADVANTAGED:

FIRST, I AM DELIGHTED TO FIND THAT YOU ARE STRENGTHENING THE INTENT OF JTPA PROGRAMS TO TARGET MORE ECONOMICALLY DISADVANTAGED YOUTH, SUPPORTED WITH A FUNDING FORMULA CHANGE.

MINORITY STUDENTS AND YOUTH FROM LOW-INCOME FAMILIES ARE MUCH MORE VULNERABLE TO DROPPING OUT THAN OTHER STUDENTS. IN ADDITION TO LINGUISTIC AND CULTURAL DIFFICULTIES, MANY OF THE FACTORS THAT ORIGINALLY PUT OUR LATINO CHILDREN AT RISK DID NOT SPRING UP SUDDENLY AT THE TIME THAT OUR YOUTH REACHED HIGH SCHOOL. POOR ACADEMIC ACHIEVEMENT, EXCESSIVE ABSENCE AND OTHER INDICATORS BEGIN TO SURFACE AT A MUCH EARLIER AGE, (CERTAINLY FACTORS WHICH OUR SCHOOL SYSTEMS MUST ADDRESS) AND THEY ARE THEMSELVES MERELY SYMPTOMS OF MORE SERIOUS SOCIAL AND ECONOMIC PROBLEMS. A LACK OF AN EQUAL EDUCATIONAL OPPORTUNITY AND_POVERTY EXIST EARLY AND CAN HAVE DREADFUL CONSEQUENCES FOR LATER DEVELOPMENT. MANY OF OUR YOUTH ARE AT RISK EVEN BEFORE BEGINNING SCHOOL, GIVEN THEIR ECONOMIC AND FAMILIAL CIRCUMSTANCES. GROWING UP POOR AND/OR IN A SINGLE-PARENT FAMILY OR WITH PARENTS WHO THEMSELVES ARE HIGH SCHOOL DROPOUTS INCREASES THE LIKELIHOOD THAT OUR CHILDREN WILL HAVE DIFFICULTIES WITH SCHOOLING, WILL DROPOUT, WILL HAVE NO EMPLOYMENT EXPERIENCE, AND, IN FACT, BECOME THE YOUTH AND ADULTS NEEDING JTPA PROGRAM SERVICES.

IN-SCHOOL_YOUTH_AND_YEAR-ROUND_PROGRAMS:

AS YOU KNOW, THESE DEFICIENCIES DO NOT GO AWAY WHEN THEY BECOME

YOUNG ADULTS. BECAUSE OF THIS, OFTEN-TIMES THESE ECONOMICALLY DISADVANTAGED YOUTH ARE NOT ELIGIBLE FOR EXISTING PROGRAMS THAT ARE FORCED TO REQUIRE ENROLLEES TO BRING CERTAIN BASIC SKILLS AND ENGLISH PROFICIENCY AND THAT THEY BE HIGHLY MOTIVATED, IN ORDER THAT THE PROGRAMS THEMSELVES MAY MEET THE REQUIREMENTS PLACED UPON THEM, WITHIN LIMITED TIME FRAMES. THUS, I AM SECONDLY HAPPY TO NOTE THAT YOU HAVE ADDRESSED THIS DILEMMA BY FUNDING YEAR-ROUND REMEDIAL SERVICES PROGRAMS FOR YOUTH AND PROVIDING FUNDS FOR 'IN-SCHOOL, DROPOUT PRONE YOUTH', OFFERING BASIC AND LIFE SKILLS TRAINING, WORK EXPERIENCES, AND OTHER SUPPLEMENTAL SCHOOL-YEAR ACTIVITIES. THESE ARE SORELY NEEDED.

CHALLENGE_GRANTS:

WITH SOME RESERVATIONS, WE ARE ALSO SUPPORTIVE OF THE 'FAIR CHANCE YOUTH OPPORTUNITY CHALLENGE GRANTS' PROPOSED. WE ARE PARTICULARLY INTERESTED IN THOSE THAT BRING TOGETHER EFFORTS TO ASSIST LATINO AND OTHER MINORITY YOUTH TO PURSUE A TWO-YEAR AND FOUR-YEAR COLLEGE EDUCATION. IF YOU ARE APPALLED, AS I AM, WITH THE 55% DROPOUT RATE FOR LATINOS IN PHILADELPHIA, YOU WILL BE EQUALLY AS ALARMED IN KNOWING THAT ONLY 1% OF THOSE LATINOS THAT DO GRADUATE FROM H.S. GO ON TO COLLEGE.

COORDINATION_AND_PRIVATE_INDUSTRY_COUNCIL(PIC):

MY FINAL RESPONSE TO THE JTPA CHANGES RELATES TO THE NEED FOR BETTER COORDINATION AND COLLABORATION WITH ALL PARTS OF OUR COMMUNITIES, A MORE HOLISTIC APPROACH IF YOU WILL, ON THE PART OF SCHOOLS AND OTHER EDUCATIONAL INSTITUTIONS, CBO'S, LABOR, STATE AND CITY DEPARTMENTS, AND THE PRIVATE SECTOR. THE MODIFICATION TO INCLUDE THESE GROUPS IN THE PIC COUNCILS IS A GOOD MOVE IN THAT DIRECTION. I

WOULD RECOMMEND THAT YOU ENCOURAGE A WIDER INCLUSION OF THE REPRESENTATIVE ETHNIC GROUPS, WHENEVER POSSIBLE. LATINOS, AS AN EXAMPLE, ARE OFTEN LEFT OUT OF THESE COUNCILS AND BOARDS.

ASPIRA ABRIENDO CAMINOS PROJECT:

WE ARE HAPPY TO BE ABLE TO REPORT TO YOU ON THE PROGRESS OF THE ASPIRA ABRIENDO CAMINOS PROJECT, FUNDED BY THE PIC OF PHILADELPHIA, AND SUPPORTED BY LOCAL BUSINESS. IT WAS DESIGNED AS AN ALTERNATIVE SCHOOL TO PREPARE DISADVANTAGED PUERTO RICAN AND OTHER LATINO YOUTH BETWEEN THE AGES OF 16 TO 21, WHO HAVE DROPPED OUT OF SCHOOL, FOR EMPLOYMENT AND JOB TRAINING OPPORTUNITIES. THE PARTICIPANTS GENERALLY COME FROM FAMILIES IN WHICH:

*THE MEDIAN AGE IS TWENTY;
*40% OF ALL HOUSEHOLDS REPORT INCOME BELOW $4,000;
*51% OF THEIR FAMILIES LIVE IN SUBSTANDARD HOUSING;
*ESTIMATED UNEMPLOYMENT RATES FOR YOUTH SURPASS 29%;
*MANY LACK ADEQUATE PROFICIENCY IN ENGLISH.

ASPIRA, AS A RESPECTED COMMUNITY YOUTH AGENCY, HAS DEVELOPED MANY CLOSE RELATIONSHIPS WITH LOCAL BUSINESSES AND OTHER PRIVATE CORPORATIONS. INDEED, MANY PRIVATE SECTOR BUSINESSES ANNUALLY CONTRIBUTE TO THE WORK OF OUR ORGANIZATION.

IN THE PAST TWO YEARS, ASPIRA'S ABRIENDO CAMINOS PROGRAM HAS PROVIDED TRAINING TO 178 LATINO YOUTH, PREPARING 118 FOR THE GED. THE

PROJECT WILL HAVE PLACED 80 TRAINEES IN UNSUBSIDIZED, FULL-TIME EMPLOYMENT AND CAREER-RELATED TRAINING PROGRAMS. WE ARE EQUALLY AS PROUD TO REPORT THAT 40 OF THESE LATINO YOUTH WERE ASSISTED IN IMPROVING THEIR ENGLISH LANGUAGE PROFICIENCY.

THE ASPIRA ABRIENDO CAMINOS PROJECT IS LOCATED WITHIN THE "BARRIO" OF NORTH PHILADELPHIA, IN A FORMER CITY FIREHOUSE. THE PROJECT RAN FOR 30 WEEKS, WITH PROJECT PARTICIPANTS COMPLETING 450 HOURS OF TRAINING, CONSISTING OF GED OR ABE PREPARATION, SUPPORTED WITH BASIC SKILLS DEVELOPMENT AND REMEDIATION, CAREER DEVELOPMENT, JOB READINESS SKILLS TRAINING, AND INDIVIDUALIZED COUNSELING.

THE PROJECT IS DESIGNED TO INVOLVE STUDENTS IN A DEVELOPMENTAL PROCESS OF GROWTH AND LEARNING WHICH BEGINS WITH THE FORMULATION OF CAREER-EMPLOYMENT GOALS, AND CULMINATES IN EITHER ENTRY INTO EMPLOYMENT OR ENROLLMENT IN AN EDUCATIONAL OR JOB TRAINING PROGRAM. AN ESSENTIAL PART OF THIS PROCESS FOR MOST STUDENTS IS THE PREPARATION FOR AND ACQUISITION OF THE GED DIPLOMA. COUNSELING FOCUSES ON HELPING STUDENTS TO OVERCOME ANY OBSTACLE WHICH MAY IMPEDE THEIR SUCCESS IN THE PROGRAM.

FOR YOUTH WITH LIMITED ENGLISH PROFICIENCY, THE GED INSTRUCTION IS PROVIDED IN SPANISH, AND THEY ARE ALSO PROVIDED WITH ENGLISH AS A SECOND LANGUAGE (ESL) INSTRUCTION, WITH A FOCUS ON THE DEVELOPMENT OF ENGLISH LANGUAGE SKILLS IN A JOB SEARCH/EMPLOYMENT CONTEXT.

THIS COMING WEEK, ON MAY 12TH, 7PM, AT THE COMMUNITY COLLEGE OF PHILADELPHIA, WE WILL BE HOLDING OUR GED GRADUATION FOR 55 LATINO STUDENTS FROM OUR ABRIENDO CAMINOS PROGRAM. WE INVITE YOU TO ATTEND

AND WITNESS, AS THEY MARCH IN THEIR CAPS AND GOWNS THEY WERE ONCE DENIED, A RAY OF SUNSHINE AND HOPE FOR THIS CITY, AND ULTIMATELY, THIS NATION, FOR THEY ARE SURE TO BE A PART OF THE PRODUCTIVE WORKFORCE OF THE YEAR 2000.

GRACIAS

WA 3-2717

ASPIRA, INC. OF PENNSYLVANIA
"EXCELLENCE THROUGH EDUCATION"

EMANUEL ORTIZ
EXECUTIVE DIRECTOR

526 W. GIRARD AVE.
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Senator SIMON. Thank you very, very much.

Just by way of background, what is the approximate composition of the Hispanic community in Pennsylvania?

Mr. ORTIZ. The Governor's Council on the Puerto Rican/Latino community has estimated that there is about 300,000 Latinos in Pennsylvania.

Senator SIMON. And of that number, how many are from Puerto Rico, how many from Mexico, and from other areas?

Mr. ORTIZ. Unlike other states in Northeast and particularly in Pennsylvania, a good 90 percent of those are Puerto Rican from Puerto Rico descent.

Senator SIMON. That was my recollection. One of the things that we do in the Federal statutes, in part because of its Commonwealth status, is shortchange Puerto Rico about everything that comes along.

Mr. ORTIZ. Yes.

Senator SIMON. And one of the things that we ought to do if we want to help Pennsylvania is also to see that we have programs that help Puerto Rico a little more, if we are not to ultimately create problems in Pennsylvania and elsewhere.

Mr. ORTIZ. I would agree with you. Yes.

Senator SIMON. You mentioned the drop out rate and the GED program, and you talked, Mr. Lacey, about primary emphasis being jobs, and I agree completely. That is the job of JTPA, but obviously the two can mesh.

As you look at the JTPA program, Mr. Ortiz, what kind of a balance are we getting in terms of education and job training emphasis? Are we doing the kind of job we ought to be doing?

Mr. ORTIZ. I certainly believe that the emphasis and the outlook direction in terms of employment is very important, particularly if we are to look at the future.

On the other hand, I am very interested in the amendments that you have presented which allow for somewhat of a balance and also to look at those that are likely to drop out, what are not at risk in terms of dropping out in the schools. I think that is a very important piece of that that will be implemented, and certainly something that exists now, but I think it is very important to designate it as such.

Mr. LACEY. I think in addition to what Manny said, there is another element and that is that the potential clients for the work that we are doing need to be viewed as customers and the performance standards really need to relate what are the characteristics of each customer group.

For example, here in the Title III programs we are typically talking about white men, late 30's to early 40's, all of whom have high school degrees, some technical certification, and the kind of performance standard you might have for that group of people to get retrained and placed is very different from that for an adult welfare recipient, typically a minority person, typically without GED or high school diploma.

Senator SIMON. Maybe I do not understand. When you say customers, who are you are talking about?

Mr. LACEY. Our trainees.

Senator SIMON. Okay. I was thinking when you started that you meant customers, people with whom you ultimately place people in jobs.

Mr. LACEY. No, we have two customers; the employers and the trainees, the people who are looking for work.

Senator SIMON. Okay. I thought you were talking about the employers.

Your statement, Mr. Lacey, is fairly dramatic in outlining the change over 4 years in the characteristics of the applicant pool.

How do you account for that dramatic change?

Mr. LACEY. I think part of it in Philadelphia is the result of the very healthy local economy. In the last 2 years 25,000 new jobs have been created and both in the City and mostly in the surrounding four suburban counties, and people who had typically come to us 4 years ago looking for training and then employment are going directly into the job market.

And, second, I think that as we reach out and touch more directly with new sources of state funding for long term welfare recipients, that population of people has a very different set of characteristics and it counts in part for what we are seeing.

Senator SIMON. One of the things that I am concerned about, and it is a major reason for the legislation, is creaming. In fact, the job market has taken care of much of creaming in Philadelphia. You have taken those people who are easier to employ. The PIC in Philadelphia is down to the harder to employ now.

Mr. LACEY. I would say generally we have focused—4 years ago we were focusing on people who fell between 5th and 8th grade level in terms of basic competency and had gone after and been successful in securing other sources of funding to reach those people who are below 5th.

I would say today the pool of people from which we draw our trainees as we reach deeper have a very different set of characteristics and require more supportive services and longer training times before those individuals qualify for work.

Senator SIMON. You mentioned the business orientation, and as a former business man myself, I agree. But, I gather that the general composition of the PIC Council we are calling for in our legislation would not change the composition of your PIC Council here, or would it?

Mr. LACEY. It would not change the composition of our Council and we are essentially in compliance with the profile in the legislation.

Senator SIMON. Finally, let me ask the question of the two of you that I asked the earlier witnesses.

All of a sudden Secretary Dole says to you, "You can change the JTPA program any way you want." What would you ask for?

Mr. LACEY. I think that I would ask for three things. First, that there be more of a customer orientation, thinking about the different needs of our trainees and formulating performance standards and a set of services that better matches the needs of our trainees.

I think the second thing that I would ask for would be a continuing emphasis on outcomes and results. I think one of the real advantages of JTPA is the fact that the overall performance in the publicly funded employment and training system has jumped up markedly and I think that that is a value worth continuing.

I think the third thing I would ask for is more funding for a longer term intervention and to do it at a much earlier age. I think we need to have—I guess the one thing that public money does is create options. With $250 million there are more choices than with $20 million.

But the one thing that public money has not been able to do, and in my judgment will never do, is create the motivation, the desire and the interest to take advantage of what exists.

And, therefore, I am more circumspect about how much more money needs to be pumped in. I mean our programs this year compared to a year ago are—we have 40 percent lower enrollment rate, but I think that it is important that in any kind of magic wand proposition that there be a continuing emphasis on the needs of the clients, and especially a longer term.

Senator SIMON. Mr. Ortiz?

Mr. ORTIZ. I think definitely Philadelphia is unique in terms of its PIC structure, and certainly a lot has to do with the leadership of David Lacey and the PIC Board so that we have been able to really be on top and I think a very key leader in terms of the PIC process.

But certainly if you give me the opportunity to dream a little bit and look at some of the opportunities, certainly that issue that you present in terms of creaming, at some points in any program's reality it exists.

There needs to be a way of presenting and looking at models that will deal with people at different levels and with different needs so that a program that will provide 200, 400 hours for one particular set of circumstances may not be adequate for someone else.

I believe there needs to be that type of flexibility in the way of managing it also so that you are able to fund it adequately so that people can provide the services.

We are looking at coordination across the board and I think that needs to really be strengthened and continued so that the efforts of which the PIC is involved in can very closely be looked at and matched with what the educational institutions are involved with, and also what business is taking on and being involved with so that we are all working towards one goal and that is a productive work force in the future.

Senator SIMON. Thank you both very, very much for your testimony and for your leadership.

Our final panel is Natalie Allen, Marciene Mattleman and Elliot Shelkrot. Let me also note the presence of the State Librarian here. We are very pleased to have her here.

Let me also note the presence of some representatives of the Philadelphia Youth Service Corps. Mr. Anthony Pearbranks is their Director and Sonya Enoch is the Director of Recruitment and Floyd Gardner and Emmett Devereaux, we are very pleased to have you here.

First let me call on Natalie Allen, the President of the Philadelphia High School Academies. Very pleased to have you here.

STATEMENT OF NATALIE ALLEN, PRESIDENT, PHILADELPHIA HIGH SCHOOL ACADEMIES, ACCOMPANIED BY ELLIOT SHELKROT, PRESIDENT, FREE LIBRARY OF PHILADELPHIA; AND MARCIENE MATTLEMAN, PRESIDENT, PHILADELPHIA FUTURES, PHILADELPHIA, PA

Ms. ALLEN. Thank you very much, Senator.

I am very pleased to be here. And in the interest of time, while I have presented written testimony, I would like to begin my remarks to——

Senator SIMON. Let me just say we will enter in the record the full statements of all three witnesses.

Ms. ALLEN. I would like to begin my remarks by saying that you have heard much in the course of the last hour and a half or so about Philadelphia's leadership in the areas of literacy and Job Training Partnership Act and other educational initiatives.

The initiative I speak to you about this afternoon embodies all of those qualities and, again, puts us on what I think is the cutting edge of attacking the problems of youth at risk within our high schools, and that is the Philadelphia High School Academies.

We are one of the best kept secrets in Philadelphia. It is an organization that is 20 years old with a host of demonstrated success that we are just now beginning to move forward under the leadership of key people in the private sector and, of course, Dr. Constance Clayton.

If I could call your attention for just a moment to my written testimony on page 3, I would like to tell you a little bit about the population that we are serving in the comprehensive high schools.

Senator SIMON. Before you tell us about the population can you, for the record and for my own edification, can you tell me what the Philadelphia Academies are?

Ms. ALLEN. Most definitely. Put best it is an example of the best of a partnership between business and education. We literally come together working with the school district to integrate vocational skills and basic skills of education curricula to operate schools within a schools in the neighborhood high schools here in Philadelphia.

And those school are typified by smaller classes that stay together from the 9th through the 12th grade, team teachers, a corps of which also matriculate with the students from the 9th to the 10th grade, and they provide the avenues for the resources of private sector, both fiscal and human, and the intervention and participation of Academy parents during those 4 years of school.

Our goal originally was to enhance the delivery of education, targeting those students most at risk of dropping out so that they would, of course, complete high school and go on to better opportunities.

As we move, I think, toward the projections of work force 2000, all of us are looking at a much broader definition of the student at risk, dropping out, of course being the most obvious and probably the most long term damaging, but there are those students who are quite capable and do graduate from high school with less potential developed within them in that past 3 to 4 years than they should have leaving them perhaps to enter the job market at the very bottom rung of the entry level positions for minimum wage or a little over, and to stay there for much longer than they should.

At this point, and I think into the 1990's as we move forward with the Academies, I would like to think of us as educational enhancement for the delivery system in public education here in Philadelphia across the board, broad enough to deal with the special problems of that student who is most at risk in a traditional sense, and that student who is most at risk in the new sense as we move forward to hoping to counter those predictions that we are reading about work force 2000.

Typically our students are under-achievers with very sporadic attendance. A majority, 85 percent or more are scoring at or below the 25th percentile as measured by the California Achievement Test. That means they are functioning two to three grade levels below where they are actually placed in high school, particularly in reading and math.

And about 75 percent are from families with incomes at or below the poverty level. We are typically dealing with a student who without the intervention of this program is likely to be dropping from Philadelphia public high schools at a rate approaching 50 percent.

These same students as Academy participants are demonstrating an average daily attendance rate of from 86 to 92 percent. They are completing high school at a graduation rate of 94 percent. And of those who are graduating, 85 percent are going on to employment or post-secondary education, or doing both on a part-time basis.

This is truly a results oriented program. As I said, it is 20 years old. In that 20 years, however, Senator, we have only served 3100 students. I think there is a reason for this.

This program has been slow to grow and develop. With the combined momentum that is happening now here in Philadelphia on behalf of private sector business leaders and Dr. Constance Clayton, we are prepared over the next 5 full school years, or by 1993 to more than increase by 100 percent the total number of students we hope to have enrolled in this program by 1993.

We are moving forward with great momentum. I would like to believe that we are on the cutting edge of what can happen when we all come to the table bringing the best of our ideas and creativity, ourselves and our dollars and applying them to the problem of education.

And I was very pleased today when Secretary Gilhool told me that at a series of hearings held throughout the Commonwealth, he assured me that even under oath many people testified that the very best of what they are doing within school programs have been replicated parts of the components of the Philadelphia Academies.

So I think that is official now and I am pleased to make it even more so by presenting this testimony here today.

Senator **Simon**. And he is smiling in back of you.

Mr. **Gilhool**. Senator Simon, Pittsburgh City school and Allegheny Schools, Erie City Schools and Crawford County Schools, the full array of rural suburban and urban, which now admit that the best they are doing is copied from Philadelphia's Academies.

Ms. Allen. I am delighted to be a part of that, and thank you for this opportunity.

[The prepared statement of Ms. Allen follows:]

Testimony

on

School Success for Students At-Risk

before the

Subcommittee on Employment and Productivity

Chairman, United States Senator Paul Simon

Presented by:

Natalie S. Allen

President

The Philadelphia High School Academies, Inc.

Monday, May 1, 1989

Free Library of Philadelphia

Logan Square

Philadelphia, Pennsylvania

Good afternoon, Senator. My name is Natalie S. Allen. I am the President of the Philadelphia High School Academies, Inc. It is a pleasure to present this testimony to you today. I thank you for the opportunity to describe a unique in-school program that serves at-risk high school students.

Many years before the term partnership became a part of the national jargon, two (2) major Philadelphia businesses, the Philadelphia Public School District and the Philadelphia Federation of Teachers collaborated on a strategy for a drop-out prevention program. The program that was developed is the Philadelphia High School Academies. Now in its twentieth (20th) year of operation, the Academies are an outstanding results oriented public/private initiative targeting at-risk high school students. The Academies have achieved national acclaim twice in the last eleven (11) years.[1/]

Begun in the socially turbulent 60's, the Philadelphia High School Academies was viewed as a solution to the educational and employment needs of inner city high school youth. Under the leadership of Charles Bowser, founder and then Executive Director of the Philadelphia Urban Coalition, James L. Everett, former Chairman and Chief Executive Officer of Philadelphia Electric Company, and Duke Yapel of Bell of Pennsylvania, the Academies program

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1/ Former First Lady Rosalyn Carter's Communities Plan Seminar on Employment - July 27, 1978
Former President Ronald Reagan's Private Sector Initiative Commendation - October, 1984

was implemented in Edison High School in 1969. Today, six (6) Academies, located in eleven (11) comprehensive high schools, have an enrollment of approximately 1,600 students.

The operational core of the Academies was and remains simple and straight forward: Business participates in the delivery of education. By melding its expertise, technology, human and fiscal resources to those of secondary school academicians, the Academies design and deliver a relevant curriculum that integrates vocational and academic skills. Each Academy operates as a semi-autonomous school-within-a-school, and focuses on a specific industry or occupation. A core teaching team and students are rostered together throughout the ninth (9th) to twelfth (12th) grades. Business representatives in cooperation with School District staff form a Board of Governors whose responsibilities include: overseeing curriculum development; selecting the schools that host an Academy; selecting a lead teacher/coordinator, and developing jobs and work exposures for Academy students and graduates. The Board of Directors of the Philadelphia High School Academies determines policy, raises funds and supports the Academies' staff. Academy teachers are compensated, with private business funds, for time spent on Academy related activities beyond the normal duties of the school day. Academy teachers also attend summer planning workshops and seminars to enhance their insight into the staffing needs and hiring requirements of employers.

The parents of Academy students are also an integral part of the program. To enter the Academies, students must have a signed contract from their parents, indicating the parents' willingness and commitment to support the goals and objectives of the program. Orientation meetings are held for all Academy parents. Daily telephone contacts between Academy teachers and parents provide information on students' progressions, successes and deficits. At the end of each school year each Academy has an Awards Night for students and parents. Special student achievements, e.g. perfect attendance, most improved grades, are recognized. These activities result in a ninety-five percent (95%) parental involvement in schools where such involvement is minimal, at best.

Although the Academies originally began with tenth (10th) grade students, by 1982 the partnership recognized the need for earlier intervention. Ninth (9th) grade became the entry point to the Academies. Historically, Academy students are those high school youth defined as at-risk of dropping out before graduation or of graduating without the skills necessary to seek, gain or retain employment. They are underachievers, with sporadic attendance. A majority score at or below the twenty-fifth (25th) percentile as measured by the California Achievement Test. In addition, approximately seventy-five percent (75%) are from families with incomes at or below the poverty level. A drop-out rate approaching fifty percent (50%) between the ninth (9th) and twelfth (12th) grades is not uncommon for this group.

These same students, as Academy participants, demonstrate an average daily attendance rate of from eighty-six percent (86%) to ninety-two percent (92%), with a completion and graduation rate of ninety-four percent (94%). Of these graduates, eighty-five percent (85%) go on to employment, post-secondary education or both on a part-time basis.

The Academies have grown slowly since 1969. Indeed, for a number of years only one Academy was in operation. Between 1972 and 1986, nine (9) Academies were begun, and in September of 1988, our two (2) newest Academies were started.

The business partners of the Philadelphia High School Academies know that their investment today is building a better skilled labor pool for tomorrow. The altruism of the 60's has been replaced by the competitiveness of the 80's and 90's and is fueled by the labor shortage predictions for the year 2000. The foresight, and leadership of Constance E. Clayton, Superintendent of the Philadelphia School District, Marion B. W. Holmes, Executive Director - Division of Career and Vocational Education, James L. Everett and many other business people and educators have created a new momentum for the Academies. Plans are underway to expand this program and to increase student enrollment to at least 3,600 by 1993. Achieving this goal will mean that in the next five (5) years the Academies will serve more than the total number of students served over the past twenty.

As stated in the April 4, 1989 issue of Financial World: "... Experts tell us three factors seem to be the most important in assuring high school graduation: family, adult support and a recognizable potential pay-off at the end of the long educational road ..." [2/]

The Academies address these important factors by providing:

1) On-going parental involvement;
2) Positive role models as Academy teachers, and business representatives; and
3) A high school diploma, employment and an opportunity for post-secondary education.

Clearly, this model of positive intervention produces positive results.

It is estimated that the School District's fiscal contribution to this program is three dollars ($3) to every one dollar ($1) in private sector funds. This estimate includes, of course, space, teachers' salaries, books, equipment, etc. By 1993, the business partners of the Academies have projected their funding level to increase to about $1.5 million from the current projected budget of $950,000. Given the successful results of the Academies, and the sincere cooperation that exists between business and education, the potential of the Academies program can be limited only by our imaginations.

Thank you, again, for this opportunity.

[2/] DROPOUTS Retrieving America's Lost Labor by Dan Cordtz
Financial World/April 4, 1989

ADDENDUM

PUBLIC/PRIVATE VENTURES' ASSESSMENT OF THE PHILADELPHIA HIGH SCHOOL ACADEMIES

Public/Private Ventures, a nationally recognized social policy research organization based in Philadelphia, recently reported the results of its assessment of school/business partnerships that serve at risk youth. The three-year study was funded by The CIGNA Foundation, The Edna McConnell Clark Foundation, The Exxon Education Foundation, The IBM Corporation, The Pew Memorial Trust, and The Rockefeller Foundation.

Nine partnerships were studied, located in Atlanta, Birmingham, Boston, California, Houston, New York City, Richmond, St. Louis, and Philadelphia (where the Philadelphia High School Academies were considered in depth). A few quotations, culled from the report, highlight the importance of the Academies to disadvantaged youth, to their employers, and to the Philadelphia community as a whole:

- . . . We [Public/Private Ventures] chose to study nine programs that represented the best examples of approaches being employed in serving economically disadvantaged and educationally at-risk youth . . . .
- The Philadelphia Academies . . . report . . . significant effects on academic measures--even at the school level. This is not accidental--the Academies differ from other student-focused programs in the study in that they specifically seek to improve both employability and academic performance, serve a larger number of students, and serve students all through their high school years. The Academies' average attendance is reported at more than 90 percent and their dropout rate is set at 20 percent. Both figures are drastic improvements over districtwide statistics. Also, a large majority of Academy students graduate, about half of whom enter postsecondary training. Since students are recruited from a group whose achievement test scores generally place them in the lowest quartile before enrollment, these figures indicate a significant academic impact.
- In existence since 1969, the Academies had an established history and record, and . . . shed light on factors that contributed to the institutionalization and growth of a collaborative effort . . . .
- Businesses are involved in a variety of ways and share responsibility for Academy functioning. Business people

provide advice on management and curriculum development, help prepare students for the work environment and offer jobs to youth who are ready . . . .

* . . . Basic skills remediation is not a central component of most partnerships. An exception is the Philadelphia Academy model, which integrates both basic and vocational skills training in its curricula. Academy teachers in vocational areas use vocational activities to reinforce mastery of basic skills, while instructors in basic skills courses use vocational examples and materials to make reading, writing and math more interesting or relevant to students.

* Findings from P/PV's study of the Academies demonstrate that the Academies' institutionalization and growth within the school district is largely due to the quality of the model. Its structure and operation incorporate many of the features that are generally considered effective in keeping at-risk youth in school and in helping them obtain further training or employment. These factors include the Academies' small size and the amount of personal attention provided to students both by teachers and by business people. In addition, the careful integration of academic and vocational curricula helps youth understand the importance of school in preparing them for later life. Finally, the knowledge that meeting academic and attendance requirements will lead to jobs is a significant motivator.

* . . . The record so far shows that the partnerships that have survived more than a few years are those like the ones in Philadelphia and the state California that can [emphasis in original] demonstrate significant accomplishment.

* The Academies offer a comprehensive, tested model for reaching dropout-prone youth, helping them graduate from high school and obtain and keep a job. The Philadelphia School District has recognized the program's strengths and seeks to expand it to serve more youth . . . . Businesses and the schools should jointly plan and implement a model that is adequate to meet the new demands of an expanded program.

* As this report was nearing completion, the Board of the PHSAA voted to implement changes in management and development for the Academies in preparation for an expansion of the Academies to serve 3,600 students by 1992 . . . . In order to accomplish the expansion, the Board has launched a major recruitment campaign aimed at broadening support for the Academies within the Philadelphia business community.

THE UNITED STATES DEPARTMENT OF EDUCATION'S ASSESSMENT OF THE PHILADELPHIA HIGH SCHOOL ACADEMIES

The "Discussion Papers" recently released by the National Assessment of Vocational Education, United States Department of Education, deal with "Exemplary Secondary Vocational Education: An Exploratory Study of Seven Programs". One of the "exemplary" programs studied is the Philadelphia High School Academies. The Academies draw high praise, as is apparent from the following excerpts drawn both from the "Findings" portion of the Study (pages II-1 through II-35) and from the detailed description and assessment of the Academies (pages IV-1 through IV-25):

The High School Academies program in Philadelphia places particular emphasis on the centrality of self-esteem. Students in the Health Academy are frequently and strongly encouraged to aim high and to believe that they can complete a high school program that will allow them to pursue further education and a wide range of health-related occupations. The Business Academies work on raising students' self-esteem by establishing highly visible rewards for realistically achievable milestones . . . . these strategies have a single goal: to convince inner-city youth that they can compete and succeed. (II-10)

The "school-within-a-school" structure has been effectively employed . . . to personalize education and reduce the effects of anonymity that often alienate some students in a large high school. The School District of Philadelphia has made a significant commitment to this approach in the delivery of vocational education through its High School Academies. The Academies have experienced impressive success in keeping at-risk students in school as well as improving their post-school outcomes . . . . the Academies are small schools nested in large comprehensive high schools. Vocational components of the program are carefully integrated with academic courses. Academy students are "block rostered," which means that they take their courses together and are taught by a small number of teachers who remain with them over their high school years . . . . (IV-1)

Most frequently described as a "partnership" between local business and industry, community organizations, and the school district, the academy concept in Philadelphia relies on the active support of the private sector for financing, training placements, and jobs. Recognition for the program includes a Private Sector Initiative Commendation from the President of the United States and a statement by Public/Private Ventures . . . that the academies program is "the best single model in the country for business involvement in the schools." (IV-3)

The Business Academy does a follow-up on its graduates one year after graduation . . . . detailed analysis of post-high school outcomes for the class of 1986 shows that, of the 117 students in the senior class . . . . Only nine . . . are unemployed . . . . [T]he nine unemployed Business Academy graduates yield an unemployment rate of eight percent, a striking contrast to the 1985 national unemployment rate of 19 percent for all 16-19 year-olds and 40 percent for black youth in that age range . . . . (IV-14-15)

. . . How does one determine if a program is exemplary or achieving above average success? The usual criteria applied to secondary schools include attendance rates, graduation rates, work experience placements, and post-high school outcomes (in the case of vocational education, post-high school job placements in particular). By all these standards, the Academies are indeed outstanding (Emphasis Supplied):

* Attendance averages 90 percent across all academies in a school system where the average ADA is 67 percent.

* Dropout rates are low (2-3 percent) and graduation rates high (97-98 percent).

* The academies have been extraordinarily successful in developing both summer and school year work stations for interested and eligible program participants.

* While no post-high school jobs are guaranteed, follow-up surveys by the individual academies indicate that the vast majority of graduates either continue their education or obtain training-related employment.

There are other indicators of success as well. The fact that the academies program has survived for 20 years represents one vote of confidence. Private sector support could easily have dwindled away once the political heat of the 1960s cooled. Instead, the program maintained a steady, if sometimes low, profile until conditions were right for a resurgence of interest and backing.

The current expansionist mode is another clue to the program's local popularity and the belief in its approach to education and training. Six academy sites have opened since 1980 and the PHSAA director of development is aggressively soliciting support for further expansion. New career themes are being explored in addition to consideration of new settings for the established programs . . . .

Why has the Philadelphia High School Academies Program been so successful? A number of reasons emerge. First, there is no doubt that the school-within-a-school concept works--particularly for students who might otherwise become merely names on a roster in a large comprehensive high school. The personal touch, the knowledge of individual problems, the fostering of individual strengths, and the imposition of strict but consistent and fair rules lend structure to lives that are too frequently undisciplined and fragmented.

Second, the promise and delivery of training-related work stations are strong incentives for students . . . . Placements become more valued because they are offered as rewards for adequate or better performance in instructional areas and internalization of the attitudes and behaviors known as employability skills.

Third, the enthusiasm, energy, and commitment that characterize both school district and private sector leadership of the academies program are indispensible to its success . . . .

Finally, the team approach to curriculum and instruction ensures a far more targeted program of study than the average high school student experiences. The blending and integration of academic and vocational education in the various academy programs initially requires a great deal of work from teachers. However, the effort has visible rewards. Students who might normally reject chemistry or sleep through English class begin to see the relevance of specific learning objectives to particular work place activities. For many teachers, the full impact of the infusion approach is heightened by the opportunity to observe students' learning curves over a three or four-year period. Not every story is a success story, but there are enough to sustain a sense of teaching as a mission and not merely a job. (IV-23-25)

Senator SIMON. And thank you.

Ms. Mattleman, we are very pleased to have you appear.

Ms. MATTLEMAN. Thank you and I really want to thank you for all of your years of being out there beacon to those who care about education and the poor and trying to break the whole cycle of illiteracy.

As former Executive Director of the Mayor's Commission on Literacy, it is important for me to be here to talk about these crucial issues.

And I would like to tell you about my new project, Philadelphia Futures, which was initiated because I saw the need to enlist the public to provide support for youth to stay in school and prepare for college and the world of work.

We do this by mobilizing Philadelphia school alumni to support those who are currently attending their alma maters, and we believe it is a first.

And there is no question that Philadelphia, at a time of shrinking resources, cannot have a healthy economy and be a productive city unless we have the students staying in school and we have growth potential and a population at work.

I have spent all my professional life in education. I still as staff to Mayor Goode in his role as Chair of the Subcommittee on Education of the U.S. Conference of Mayors.

And I am here to talk today about training, the need to improve basic skills, especially of low income and virtually unemployable Philadelphians.

Five years ago, as Mayor Goode told you, he made literacy a priority of his administration. It is still the only organization of its kind, the Mayor's Commission on Literacy, functioning right out of City Hall. And the Mayor took the issue to the Conference of Mayors and the National League of Cities and we have brought forces together to bring about Pennsylvania's first state appropriation.

Philadelphia is the only city in the country that has sponsored a study to help define the scope of the problem of persons who cannot function in the work place due to their lack of reading skills.

About 12 percent of our adult population might be termed low literate, unable to read a basic training manual, a telephone book, or fill out a job application.

And, furthermore, the United States Census 1980 identifies more than 523,000 adults in Philadelphia who lack a high school diploma. 180,000 adults cannot read above the fifth grade level. The majority of these people are over 50 years old, mostly minorities and immigrants, but they have learned to cope with their skill deficiencies. However, they are only earning minimum existence and on the average that is under $10,000 annually.

Only recently have business and industry realized that people are living longer and those in the work place today will still be there in the year 2000 and they need to adapt to changing employment structure.

We are in the period of economic growth in the Philadelphia region and there is a severe mismatch between the jobs of the new service economy and that of the current work force.

The Philadelphia area closed its factories late. Most factories were closing in the 1950's and 1960's. Our factories started to close in the 1970's. So this whole problem hit us late, but I will say that the Mayor has taken leadership in making sure that we do something about it.

It has been documented that the first priority in business location and relocation is the skilled work force. And as we move to the 1990's, we have been told that the health professions will absorb most of Philadelphia's work force. However, we cannot meet that need unless we have job training and, of course, then we talk about a broader need, the need to be competitive internationally.

I think that the Job Training Partnership Act has been effective in many ways, certainly in the public/private partnership aspect, but the approach really has failed to help a large number of people in Philadelphia who are economically disadvantaged.

In the Bill to amend the Act, Mr. Simon, you rightly point out the emphasis on placement rates, have precluded PICs nationwide from admitting those who are at the lower end of the basic skills continuum.

And we do know from the work force 2000 report of the Hudson Institute that a 14th grade education or 14 years of education will be necessary for economic self-sufficiency. Therefore, we really must act now.

I would just like to highlight some parts of the amendment. Remedial services must be a part of job training. And by the way, that practice is supported by research that when instruction is linked with a purpose it is both effective and efficient.

So basic remedial training along with job training does work. I think the guidelines must be broadened to admit more participants at lower skill levels. That will make a enormous difference for Philadelphians.

And addressing youth services really must happen. With the shrinking work force, we have to create the supply that meets the demand.

The challenge grant is a marvelous holistic approach to solving the problems of youth. And as one who is developing support for youth now in my project, mentors achievement awards, options, opportunities, I can attest to the value of and the need for providing incentives and role models for youth.

I think the data from the report of the Committee for Economic Development cannot be ignored; that 1 million drop out annually, that 700,000 students leave schools without marketable skills, that drop outs cost the Nation more than $240 billion in lost earnings and taxes over their life times, and in 1990, which is very close, the private sector demand for employees in the new technologies will be almost twice that it was in 1978.

We are all reading a lot now about at risk youth, the forgotten half, W.J. Wilson's the truly disadvantaged, although we are at peace, as you point out, there are certainly many battles to be won, and they are all documented in those articles.

It is evident that the phenomenon of a shrinking middle class in America is creating a cleavage in our society between the haves and the have nots, and we do know that a bridge must be made so that every citizen in Philadelphia and across the Nation is able to obtain the basic skills and job training needed to make his or her version of the American Dream a reality.

Thank you.

[The prepared statement of Ms. Mattleman follows:]

TESTIMONY

BEFORE

SENATOR PAUL SIMON

***

THE JOB TRAINING PARTNERSHIP ACT

YOUTH EMPLOYMENT AMENDMENT

Marciene S. Mattleman, Ed.D.
Executive Director
PHILADLEPHIA FUTURES
May 1, 1989

As the former executive director of the Mayor's Commission on Literacy, it is good to be here with you talking about a crucial issue in the City of Philadelphia. My new project, a non profit organization called PHILADELPHIA FUTURES, was initiated because I saw the need to enlist the public to provide support for youth to stay in school and prepare for college and the world of work. Philadelphia, at a time of shrinking resources, cannot have a healthy economy and be a productive city unless we have growth potential and a population at work.

I have spent all of my professional life in the field of education, and I still serve as staff to Mayor Goode in his role as chair of the subcommittee on education of the United States Conference of Mayors. I am here today to speak on the issue of job training and the need to improve the basic skill level of low-income, virtually unemployable Philadelphians.

Five years ago, the Mayor's Commission on Literacy was made a priority of the Goode Administration. It is still the only organization of its kind, functioning directly out of City Hall. The Mayor has taken the issue of literacy not only to the Conference of Mayors but to the National League of Cities, and forces have been joined to bring about Pennsylvania's first State appropriation. The Mayor's Commission on Literacy which facilitated the establishment of 550 local learning sites is a model for replication nationwide.

Philadelphia is the only city in the country that has sponsored a study to help define the scope of the problem of persons who cannot function in the work place due to their lack of reading skills. About 12% of our adult population might be termed "low-literate"--unable to read a basic training manual, a telephone, or fill out a job application.

Furthermore, the most recent U.S. Census identifies more than 523,000 adults in Philadelphia as lacking a high school diploma. And 180,000 adults cannot read above the fifth grade level. The majority of these individuals are over 50 years old, mostly minorities and immigrants. They have learned to cope with their skills deficiencies, but only at the most minimum level of existence--earning, on the average, under $10,000 annually.

Only recently have business and industry realized that with people living longer, those in the workplace today will still be there in the year 2000 and need to be able to adapt to a changing employment structure. We are currently in a period of economic growth in the Philadelphia region. Yet, there is a severe mismatch between the jobs the new service economy is creating and our current workforce. Unless low-literate and less-educated individuals acquire the necessary skills, there is no question that our economy will suffer.

It has been documented that the first priority in business location and re-location is a skilled workforce. As we move into the 1990s, the health professions will absorb most of Philadelphia's workforce. Both basic skills and job training are essential if we are to be internationally competitive, and if we are to strive to be a more humane society.

JTPA has been effective in many ways. It involves a public/private partnership. It is clear that no one sector can solve these problems alone. Secondly, JTPA not only trained workers for jobs, but has had success in placement. Yet, this approach has failed to help a large number of people in Philadelphia who are economically disadvantaged.

In the bill to amend the Act, Mr. Simon rightly points out that the emphasis on placement rates has precluded Private Industry Councils nationwide from admitting those who are at the lower end of the basic skills continuum.

According to the Hudson Institute's report, it is estimated that by the year 2000, we will need 14 years of education for economic self-sufficiency. Those who are in the workforce today will still be there as we move into the 21st century. Therefore, the time to act is now! These amendments to JTPA are more than timely, they are imperative.

- Remedial services must be a part of job training. This practice is supported by research--when instruction is linked to a purpose, it is both effective and efficient.

- Guidelines must be broadened to admit more participants at lower skill levels. In a city such as Philadelphia, such a change can make an enormous difference both economically and on the quality of life.

- Youth services must be addressed; the demand for jobs is at hand. With the prospect of a shrinking workforce, we must create the supply to match those needs.

The creation of a challenge grant program is truly an holistic approach to solving the problems plaguing the world of our young people. As one who is developing support for youth--mentors, achievement awards, more options and opportunities--I can attest to the value of providing incentives and role-models for youth. Data from the report of the Committee for Economic development cannot be ignored. Nationally,

- almost 1,000,000 students drop out annually
- 700,000 students leave schools without marketable skills
- dropouts cost the nation more than $240 billion in lost earnings and taxes over their lifetimes
- By 1990, the private sector demand for employees in the new technologies will be almost twice that of 1978

The preponderance of writing, discussion, and action on behalf of "the forgotten half" of society, " at-risk" youth and W.J. Wilson's "the truly disadvantaged," illustrates that although we are at peace, there are many battles to be won. It is evident that the phenomenon of a shrinking middle class in America today is creating a cleavage in our society along the lines of the "haves" and the "have-nots." A bridge must be made such that every citizen, in Philadelphia and across the nation, is able to obtain the basic skills and job training needed to make his or her version of the American Dream a reality.

Senator **Simon**. I thank you for that excellent statement.

Elliot Shelkrot, our host for today and former State Librarian, we are very pleased to have you here. Now I referred to you as the Librarian for the City of Philadelphia, but the official title is President of the Free Library of Philadelphia.

Mr. **Shelkrot**. Thank you. The title of Librarian is indeed in honor in it of itself.

Libraries throughout the country are active in this problem of illiteracy.

Here in Philadelphia there are over—in the Free Library we have over 8 million books and other resources in this library as well as the other 55 libraries throughout the city.

Some 700,000 Philadelphians are currently card carrying library card holding individuals and over 30,000 people a day turn to the free library for education, inspiration, and information.

But that is not enough. The resources of the library are useless to a person who cannot read. More important than that, our society depends on literate and articulate people to make intelligent and discerning decisions and without literacy that cannot happen.

There are three basic areas in which we focus at the Free Library on literacy. One is in the area of our work with children preventing illiteracy.

There are two areas of the Free Library that focus on the problems of the adult illiterate and creating adult literacy. They are the Reader Development Program and a program called The Workplace.

I would like to talk briefly about each of these three areas. Research has shown time and time again that the earlier a child has contact with books and reading the more likely that individual is to be a literate, constructive adult.

Our children staff has redoubled its efforts in recent years to reach youngsters at an early age. As a matter of fact, this last year almost 250,000 youngsters were either in the library or our staff was out in the community in specially designed programs designed to turn kids on to books.

Last year a new program was started in an attempt to bring parents and other caregivers and to assure that they are interacting with the youngsters because that is such a critical part of creating a literate tomorrow.

The program was entitled Read Time and we had awards and programs for the youngsters. It was a pilot program and only about 1,000 youngsters were involved, but our goal this coming summer is to double that and to continue to increase that in years to come if our previous successes continue.

Another very interesting program, and I brought some show and tell along with me, if I can—another interesting program for children and their parents is what we call the Parent Packet.

This is a package of material made available from a grant through the William Penn Foundation and it is designed to help the busy parent, whether it be a single parent or the two parents working, have a package of materials designed to bring them and the child and the book together.

It contains in it some of the typical things; a very attractive Mother Goose book. It contains in it a book on finger play so that the parents can see some ideas of how to get their children involved in telling the stories. It involves various other things including a book on parents reading to children. These are borrowed from our libraries all as a package and we now have these throughout every one of our branches of the Free Library.

Our goal, of course, in working with children is to, as I said, to prevent the adult literacy problem from continuing to multiply.

Focusing on the adult area, our Reader Development Program began back in 1967. I am pleased to say that was with a 3 year grant from the Library Services and Construction Act and it was created to serve the needs of people in Philadelphia involved in adult literacy programs.

In looking around and talking to folks around the city, it became apparent that the most critical need was not at that time to create more literacy programs, but to provide the resources, the print and the other materials that adults who are learning to read and taking GED high school equivalency courses the kind of materials and workbooks that they needed, and also the materials for those tutors that were working with them.

The Reader Development Program handles English as a Second Language books, materials for tutor training, parenting, leisure reading, mathematics, biography, Black History, job information, GED preparation, all the kind of books that a library would have, but these are focused on a high interest easy to read level.

Some of these, and I will not take all the time now to show them to you because they are available for you and other folks to look at. Here is a new Oxford Picture Dictionary designed for adults, a series of books called Remembering produced by the New Readers Press.

Many of these are workbooks. They are consumable. It is not as though we buy them, lend them and get them back, but if adults are to have the materials they need to increase their literacy skills, many times the materials must be of a consumable nature.

Last year Reader Development Program gave away 52,000 books, but over 67,000 were requested of us. As a result, there were many adult learners who in fact could not get the resources, could not get the books and materials that they needed.

Our goal in this program is to be sure that there is no adult in Philadelphia involved in any reading literacy program who does not have the resources, the books and materials that they need to learn how to read.

I am pleased to say that over 26,000 adults were served by the program last year through 245 different agencies in Philadelphia at about 500 different learning sites.

The Workplace is a relatively new project started in 1987 to assist Philadelphian's entering or re-entering the job market, helping them to assess their skills, identify and promote personal and professional assets and obtain employment.

Since then, almost 1800 people have attended workshops sponsored by this program. This is a program that was funded by the Kellogg Foundation as part of the EIC, Educational Information Center Program and exists in some six different library sites in Pennsylvania.

The needs; in order to meet the needs of Philadelphians, in order to meet the needs of those who are looking for better jobs, of those who are trying to enhance their reading skills and become literate adults, we need more flexibility, we need more resources.

LSCA Title VI, as you know, is a program focused on illiteracy. This has been a program that we have used extensively. We use LSCA to start many different programs here at the Free Library, but in Title VI there needs to be a removal of the $25,000 cap for projects.

This cap is the same whether it is a city of 1.7 million people or a city of 25,000—town of 25,000. If we are to use those resources in any way to make a dent and to further our work in providing the resources that adults learning to read need, we would like to see that increased.

Furthermore, we sometimes have to be very careful as we put our projects together. We always are careful when we put our projects together, but sometimes we find ourselves looking for a very careful way to focus on the needs of volunteers because that is a requirement in Title VI. And I think a program of literacy support, such as we try to accomplish at the Free Library, needs the flexibility to have a mix of both the professional and the volunteer people who are involved in adult literacy.

There has been a Senate Bill introduced to amend Title VI of LSCA, a Senate Bill 399 focusing primarily on inter-generational work and on senior citizens working with latch key children.

We are very active in working with latch key children, but I would suggest to you that perhaps that amendment to LSCA Title VI is a little bit narrow in scope and we would encourage a much broader approach to amending that law.

The Free Library, just as almost every other public library in the United States, is keenly aware of the limitations placed on people by the inability to read.

We will continue to work in a creative way to solve this problem working closely with all of the agencies in the City of Philadelphia, and are delighted that we have this opportunity to speak to you and to the Committee about the needs of the Free Library vis-a-vis literacy.

Thank you.

[The prepared statement of Mr. Shelkrot follows:]

WRITTEN TESTIMONY OF ELLIOT L. SHELKROT, PRESIDENT AND DIRECTOR, The Free Library of Philadelphia, Philadelphia, Pennsylvania, for the Committee on Labor and Human Services, Subcommittee on Employment and Productivity

MAY 1, 1989

Philadelphia is a city rich in history and culture. It is also a city with its share of problems. One of those problems is illiteracy. Estimates of the number of functionally illiterate adults range from 200,000 to 500,000 people out of a population of 1.6 million. The recent Philadelphia Literacy Study, done by Research for Better Schools indicates that 33% of the city's population reads on the eighth grade level or below.

The Free Library plays a fundamental role in Philadelphia's adult literacy activities because the Free Library is vitally interested in reading. The reasons are obvious. People who can't read can use only a few of The Free Library's services. They can borrow films and videocassettes and recordings. They can ask reference questions and go to library programs. But they cannot use the print resources of the library: 4,621,000 books, 9,000 magazine subscriptions, and 111,000 reels of microfilm as of last June.

What do public libraries do about literacy? The Free Library of Philadelphia has a long history of participation in adult education activities for the benefit of residents of Philadelphia. Included in these services are:

- information sources about learning opportunities
- educational and informational resource materials
- accessible learning environments for individuals and organizations in neighborhood communities
- ongoing liaison activities and cooperation with other educational agencies.

There are three units of the Free Library focusing energy and resources on the literacy problem. The Office of Work with Children encourages children to read and explore the world of books at an early age. Two library departments work on the literacy issue. They are the Reader Development Program and The Workplace.

The Office of Work with Children

Research has shown time and again that the earlier a child is exposed to books the more likely it is that the child will grow to be a literate adult. Our children's staff has redoubled its efforts in recent years to reach youngsters at an early age and provide programs carefully designed to make books and reading exciting. Almost 250,000 youngsters last year attended one of the programs in a library or in a community center or agency.

Last year a new program was started with the express purpose to bring the child and the parent or other adult into the library together. Entitled Read Time, this program involved 1,035 youngsters last summer; this summer we plan to double that number.

In order to provide greater assistance to parents and caregivers, we now are distributing through our 53 libraries Parent Packets. These kits of picture books, instructions for adults as to how to get young children interested in books and attractive booklists were made available through a grant from the William Penn Foundation.

Our goal in these programs oriented to the young child and the parent or caregiver is to prevent illiteracy.

The Reader Development Program

The Reader Development Program (RDP) began in 1967 with a three year federal Library Services and Construction Act grant. It was created to serve the needs of the many literacy organizations in Philadelphia. What they needed, adult educators said, was low level books and resource materials for adults learning how to read. RDP has for over 20 years located, evaluated, purchased and distributed free paperback books for adults and young adults reading on the eighth grade level and below primarily through the adult education programs that serve them. The Reader Development Program handles English as a second language (ESL) books, materials for tutor training, parenting, leisure reading reading, mathematics, biography, black history, job information, and GED preparation.

The RDP materials budget of over $300,000 is now funded primarily by state and local dollars. Although this amount is more than five times the amount which was spent just ten years ago, the purchasing power of the money has decreased so dramatically that only twice as many books can be purchased. Last year, RDP gave away more than 52,000 books, but over 67,000 books were requested by adult education agencies in Philadelphia. As a result, many adult learners did not receive the instructional materials which they needed. On the other hand, the books that were provided went to over 26,000 adults served by 245 agencies in about 500 learning sites in Philadelphia.

A major change in Philadelphia in the last 20 years has been the diversification of the ethnic population. Philadelphia now has over 25 different non-English speaking groups clamoring for English as a Second Language materials. In response to this growing demand RDP has used State Adult Literacy Funds to purchase additional ESL materials. Also, federal funding through LSCA VI resulted in the publication of an ESL Curriculum Guide: Materials and Methods for Teaching English as a Second Language to Adults.

Workplace

The Workplace at the Free Library was established in October of 1987 to assist Philadelphians entering or re-entering the job market to assess their skills, identify and promote their personal and professional assets, and obtain employment. Since then almost 1800 people have attended workshops sponsored by the department. Approximately 350 people have spent between two and six hours working with computer programs and interacting with Workplace staff. Almost 300 people from education and training programs have visited the department for orientation to the resources. The Workplace maintains contact with 75 education, community, and social service agencies.

As has been noted before, in Philadelphia there are 245 agencies providing literacy training at more than 500 sites. The Workplace can have a great impact on this population of newly literate adults. It is the one place they can go for career planning that is free and accessible.

Outreach with this group has been going on since last December. Workplace staff and professional career consultants have visited adult education classes in 14 branch libraries and 2 evening high schools. Adult students were introduced to the concept of career planning and informed about the resources of the Workplace that are available to help them achieve their job and career goals. This is the next logical step in helping this group to lead more productive lives.

The Workplace is funded through the State Library of Pennsylvania by a grant from the Kellogg Foundation. It is an Educational Information Center, and its job is to help adults have meaningful and worthwhile jobs and careers. One Workplace user wrote a touching thank you letter that said: "Workplace, the workshops and the computer resume maker, helped me get a job I otherwise might not have been able to get. Also, your personal interest, concern and encouragement kept me going at a time of self-doubt and loss of hope."

Many other people have written to say how much they have benefited from the Workplace.

The Literacy Issue

The September 10,1987 issue of USA Today included a statement that "Illiteracy costs the USA about $225 billion annually in lost industrial productivity, unrealized tax revenues, welfare and unemployment payments, and the cost of crime and prisons."

Equally disquieting for Philadelphia are statistics underscoring the likelihood that the local problem is continuing:

- only 26,000 of the potential 200,000-500,000 adults who need literacy instruction are currently enrolled in educational programs.
- the high school dropout rate in Philadelphia is over 38% with a substantial portion of these youths being Hispanic and Black.
- the influx of Southeast Asians and other foreign language populations has dramatically increased in the last five years.
- the overcrowding in Philadelphia jails and prisons has reached critical proportions.
- welfare recipients number over 260,000

Becoming literate in a technologically advanced society is a lifelong process. The library is a unique community resource because it crosses the intergenerational lines from infants to senior citizens. The fact that the library can work with all ages is so important because the child of parents who cannot read or write will also face problems in obtaining these essential skills. The library provides an

opportunity for a family learning environment.

Quite simply, however, more people need to be reached. Literacy is an economic issue which is vital to the continued growth of the U.S. economy. At the local level, the City of Philadelphia, through The Free Library of Philadelphia, the Mayor's Commission on Literacy , the School District of Philadelphia and 245 community-based organizations, has invested major sums to combat illiteracy. The Commonwealth of Pennsylvania, through the State Department of Education, has earmarked up to $7 million annually for literacy funding. Now, the federal government needs to increase its financial commitment to literacy as a priority.

LSCA

Literacy needs in Philadelphia have been well-served by the Library Services and Construction Act. The Reader Development Program, the oldest continuously-operating library literacy program in the United States, was begun in 1967 with what was to be a three-year Title I grant. Administrators of that program took very seriously the fact that LSCA was (and continues to be) demonstration funding. Visitors from all over the U.S., and indeed, all over the world, came to Philadelphia to see what happened when a public library concentrated on reviewing books to meet the needs of the already-existing literacy programs in the city. Reader Development created bibliographies and published a newsletter, so that those who couldn't visit Philadelphia could learn what the program had demonstrated, and continues to demonstrate: that in communities where both volunteer and professionally-staffed literacy programs already exist, the best thing a public library can do is to provide access to free materials.

In recent years, RDP has applied for and received one LSCA Title I and four (4) LSCA Title VI grants. In effect, these grants have served Reader Development as funds for research in the area of libraries and adult basic education and also libraries and English as a Second Language. A summary of the kinds of research accomplished by the grants is attached. The results of these grants should be useful far beyond Philadelphia, since 2 of the 5 grants resulted in the publication of curriculum guides, copies of which are also attached. These guides were published in sufficient quantities to be available upon request.

For each of these grant projects, adult educators were hired for their specific areas of expertise. In Philadelphia, as in most areas with any history of adult education programming, knowledge and understanding of the local community, special populations, learning needs, teaching techniques, learning materials, and other similar kind of information are readily accessible. In such communities, it is sometimes difficult to find something to demonstrate, something new. A program with a $300,000 book budget is not going to be helped significantly by $25,000 for books--even if we were allowed to ask for books alone. The Reader Development staff has been creative and conscientious about looking for new ideas to explore, new areas to refine. It has, frankly, been hampered to some degree by the provisions in Title VI that require that funding benefit volunteer programs. There are volunteer programs in Philadelphia, of course. Some of them are small independent programs that run in community centers and churches. Some of them are large and sophisticated, and employ 5 or 15 or 30 professional educators to train and deploy dozens or hundreds of volunteers. There are also in Philadelphia a number of programs run entirely by adult education professionals--programs that serve 20 or 75 or 250 adult students. The Reader Development Program serves all of these programs.

How can LSCA benefit libraries which serve such a complex adult education community? One way, certainly, would be to remove the current $25,000 cap on applications for Title VI funding. Another would be to allow for consideration of projects whose primary function is not to create or cater only to volunteer programs in communities. Such restrictions make it difficult to serve a sound volunteer/professional mix of adult education service providers.

We have read with interest S.399, which proposes to amend Title VI of LSCA with legislation that would provide a one-time $40,000 demonstration grant to public libraries that set up intergenerational library programs using senior citizens to work with latch-key children. The issue of latch-key children in libraries certainly merits attention. The proposed legislation seems to focus on a rather narrow, short-term social ill. In addition, it appears that it would penalize libraries in communities with both latch-key children and adult illiterates by permitting such libraries to apply for demonstration funding for one or the other of these populations, but not both.

Conclusion

The issue of illiteracy in American and the role that public libraries can play in solving this enormous problem are both complex. The Free Library of Philadelphia has been trying to address the issue and the role in this urban setting for more than 20 years. Our staff has a great deal of expertise--and continues to face a great many challenges.

We are pleased to have the opportunity to share our concerns with you. Please feel free to call on us whenever you believe that we can be of service or provide further information.

Senator SIMON. I thank you.

Ms. Allen, the statistics that you present and what you have accomplished through the Philadelphia Academies are striking.

Ms. ALLEN. Yes, they are.

Senator SIMON. We may be getting away from JTPA and the literacy program here, but what do we do to take advantage of your experience nationally? Do you have any recommendations for the Federal Government or for the State Government of Pennsylvania or for anyone else?

Ms. ALLEN. An excellent question and I am not sure that any partner should be left out of this mix because I truly believe the success of the Academies are a real working balance partnership.

If I had any advice, it would be that the people who come to the table be bringing to that table a mutual respect, that is business for the hard job of the delivery of education in a public forum in this country, and public educators for respect for the business community and the true needs of what it takes to run an entity.

Senator SIMON. Who founded your group, if I may ask?

Ms. ALLEN. This Academies program was founded by Lee Everett, who was then the Chairman of the Philadelphia Electric Company, Duke Yakel, who was then I believe a Senior Vice President at Bell Telephone, and Michael Marcase, who was the Superintendent of the Public Schools.

Senator SIMON. So it really was a joint initial effort?

Ms. ALLEN. And it remains so to this day. So I think that that mutual respect issue is what balances the partnership, that understanding of the true needs and restrictions of both groups.

And I believe that those sources with the funding that will be necessary to make this effort a national effort and certainly those are Federal and private and state and even city dollars and the school district, of course, I will not leave out.

But those sources with the fiscal supports for this kind of activity need to bring dollars into this partnership with as few restrictions for getting the job done as possible.

And I think last I would advise that we begin to look at the educating of children for employment not as an option in this country, but as a mandate, and that we not look at it in segmented terms just as the Academies integrate curricula to make learning relevant to the world of work. We can no longer afford to look at it as a segmented pie with education doing a piece, business doing a piece, the Federal Government doing a piece. It takes all of us to build the future for all of us.

This is not something we do exclusively for business or for the students or for the educators. This is something we do for the future of America, but I believe that this initiative takes place one school district at a time, one city, one state, and eventually the entire country.

Senator SIMON. Thank you.

Ms. Mattleman, you mentioned something and again I am wandering from our subject, but it was something that intrigues me. You mentioned you are working with Philadelphia Futures with alumni. I assume you are taking an elementary school, and I do not know how you name them here, whether it is like New York—

by number, or Illinois—by name, but you get alumni to come back and to take an interest.

Ms. MATTLEMAN. Right.

Senator SIMON. The most graphic example is Eugene Lang and what he has done in New York City. My guess is there are a great many people who would be willing to help in those kind of things. We have not tapped that resource. If you attend college or even if you get an honorary degree at a college, all of a sudden you are a member of the Alumni Association and you hear regularly from the schools. I am intrigued.

Ms. MATTLEMAN. Well, I started thinking just like you did. I heard Eugene Lang speak 2 years ago and I think there should be more and more Eugene Langs, but it seems to me that everybody can contribute and I really believe everybody should contribute, and at time when sociologists are telling us that people are looking for roots and it is a time of nostalgia got the idea of mobilizing alumni to come back to help those who are currently at their alma maters, not necessarily to join an alumni organization, but to come back and give a 35—well, I am saying to people as I meet them, "What was your best grade? What was your best subject? Would you give a prize, maybe a membership to the Academy of Natural Science to motivate a kid in science if that was your area?"

And we have gotten over 375 prizes in the 4 months for kids that are memberships to cultural organizations. We have scholarships. We are getting mentors and we are trying to get models because we have just begun. We have gone to one of the large law firms, as an example, there are 18 large law firms in Philadelphia, and that firm will probably adopt a seventh grade and do a variety of things, tutoring, mentoring, some scholarship money, and a business. And we have gone to the media.

And it has caught on because people are saying to me, "I always to do something, but I did not know how. I did not know where to start. Nobody never asked me."

And I truly believe that if every child had something special happen to him or her, be it a special program or a special acknowledgement, that that would go a long way in helping our kids.

And we are on the way in Philadelphia to very hard work, but we are moving.

Senator SIMON. It is hard work, but it is important and I think it is great.

Ms. MATTLEMAN. Thank you.

Senator SIMON. Felix Rohatyn, who put together the New York City funding, has followed this example. I spoke to some young people with whom he is working. He is obviously a man of immense talent, and he is using that talent to enrich a handful of young people in New York City. If you had enough people doing that, and that is what you are working on, it would be very exciting.

Ms. MATTLEMAN. May I just say that again, it is public funds and the private. Secretary Dole has supported this effort and corporations are supporting it. It is an independent non-profit and I think that we have to look to those kinds of projects.

May I say one other thing that did not come up today and I always have an after thought, if you will ask my husband. [Laughter.]

Senator **Simon**. Yes.

Ms. **Mattleman**. And it is that I do support what was said before about family literacy, about research, but I would like to say something about technology.

And to attempt to teach adults and to train adults in the ways that they learned when they were younger and failed, many of them, I think is counter productive and in watching the contributions through IBM and Apple and the City of Philadelphia for adults and young adults and seeing how they take to computers, how the computer is so reinforcing, adults use computers and that is what people like doing. I think that we really have to try to get to use the computer, not as the end, but as the vehicle for teaching some of remediation, some of the basic skills, and some of the job skills at the same time helping people become computer literate because the research is out there and it is good and again, both efficient and effective.

Senator **Simon**. I am pleased to hear you mention Julius Wilson's book "The Truly Disadvantaged." It really talks about where we are in our society and the problems that we have to face.

Mr. Shelkrot, let me ask you the same question I asked Harris Wofford and the other witnesses. All of sudden, Secretary Cavazos gives you a magic wand. You can do whatever you want for illiteracy in Philadelphia. You mentioned some of the things, but what other projects would you pursue?

Mr. **Shelkrot**. Primarily the first thing I would do would be to purchase more of the materials that adults need. There is no reason why we cannot be sure and guarantee that every adult who is involved in a literacy program has the resources that they need. That to me is number one, and, as a matter of fact, that would require some changes because the law is not currently designed to support those kinds of continuing operational programs as needed as they are.

Senator **Simon**. If I may interrupt, I notice that you have literature in there that is intended to help adults learn how to read and write. One of the discouraging things as I visit literacy projects, is to see books for children—you know, "See Jane run, see Dick run"—used for adults. It is obviously not as effective as it ought to be.

Mr. **Shelkrot**. And I think if more resources were made available in this area, adult oriented literacy materials, the quality and the variety would begin to increase substantially and this is something that has been a difficult problem.

We have a lot of examples of those here, but it is nowhere near the variety and the quality that is really needed in this area.

Within the area of adult literacy, that would be my highest priority.

Senator **Simon**. I thank you.

I thank the three witnesses. Let me thank also a number of people who were here showing an interest. Our hearing stands adjourned.

[Whereupon, at 4 p.m., the Subcommittee adjourned, subject to the call of the Chair.]

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JOB TRAINING PARTNERSHIP ACT YOUTH EMPLOYMENT AMENDMENTS OF 1989

THURSDAY, MAY 11, 1989

U.S. SENATE,
SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY,
COMMITTEE ON LABOR AND HUMAN RESOURCES,
Washington, DC.

The subcommittee met, pursuant to notice, at 10:05 a.m., in room SD-430, Dirksen Senate Office Building, Senator Paul Simon, (chairman of the subcommittee) presiding.

Present: Senators Simon, Hatch, Kassebaum and Thurmond.

OPENING STATEMENT OF SENATOR SIMON

Senator SIMON. The subcommittee will come to order.

We are holding another in a series of hearings on the Job Training Partnership Act. We are particularly pleased to have the Secretary of Labor here today and Assistant Secretary Bob Jones. And meaning no disrespect to the Secretary of Labor and to the assistant secretary, neither one is going to be the star of the show today, Madam Secretary. [Laughter.]

[The prepared opening statement of Senator Simon follows:]

OPENING STATEMENT FOR SENATOR PAUL SIMON (D-IL)
HEARING ON THE JOB TRAINING PARTNERSHIP ACT
YOUTH EMPLOYMENT AMENDMENTS OF 1989
SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY
May 11, 1989

GOOD MORNING. I WELCOME EACH OF MY COLLEAGUES AND EACH OF OUR WITNESSES TO OUR THE FINAL HEARING IN THIS SUBCOMMITTEE ON S. 543, "THE JOB TRAINING PARTNERSHIP ACT (JTPA) YOUTH EMPLOYMENT AMENDMENTS OF 1989." I LOOK FORWARD TO WORKING WITH EACH OF YOU AS THIS BILL PROGRESSES THROUGH THE COMMITTEE.

WHILE I WELCOME ALL OF THE WITNESSES HERE TODAY, I ESPECIALLY WANT TO WELCOME THE SECRETARY OF LABOR, ELIZABETH HANFORD DOLE, AND ONE OF MY COLLEAGUES, SENATOR FRANK LAUTENBERG, WHO I AM PLEASED TO ADD AS A COSPONSOR TO THIS BILL. THIS IS THE FIRST OPPORTUNITY FOR THE SECRETARY TO TESTIFY BEFORE THIS SUBCOMMITTEE AND I WELCOME THE OPPORTUNITY TO WORK WITH HER ON OUR NATION'S EMPLOYMENT AND TRAINING AND WORKFORCE NEEDS.

IN ADDITION, I WOULD LIKE TO WELCOME THE CHAIR OF THE SECRETARY'S JTPA ADVISORY COMMITTEE, MARION PINES, ALONG WITH SOME OF THE MEMBERS OF THE ADVISORY COMMITTEE. I COMMEND THEM ON THEIR EXCELLENT REPORT "WORKING CAPITOL: JTPA INVESTMENTS FOR THE 90'S."

THE REPORT STATES THAT "JTPA IS NOT AN ENTITLEMENT PROGRAM. IT NOW REACHES LESS THAN 5% OF THE ELIGIBLE POPULATION." THE TARGETING OF THESE SERVICES MUST BE IMPROVED AND TIGHTENED. WITH THE CHANGING DEMOGRAPHICS WE FACE WITH THE WORKFORCE 2000 WE CAN NO LONGER AFFORD TO IGNORE THOSE GROUPS THAT HAVE BEEN HISTORICALLY DISADVANTAGED. JTPA PROGRAMS MUST NARROW THEIR FOCUS ON THOSE WHO HAVE LOW INCOMES AND LACK THE BASIC SKILLS NECESSARY TO PERFORM WELL IN THE LABOR MARKET. I AGREE THAT WE MUST TARGET OUR LIMITED FEDERAL RESOURCES ON THE "TRULY DISADVANTAGED," THE LONG-TERM HARD-CORE UNEMPLOYED, AND OUR YOUTH WHO HAVE NEVER ENTERED THE LABOR FORCE AND HAVE NO MEANS TO DO SO WITHOUT THE DIRECT INTERVENTION OF THIS PROGRAM.

I KNOW THAT EACH OF US HERE TODAY RECOGNIZES THE CRITICAL NEED TO IMPROVE AND EXPAND THE EMPLOYMENT AND TRAINING PROGRAMS SERVING THOSE WHO FACE MULTIPLE BARRIERS TO JOBS THAT WILL ALLOW THEM TO CONTRIBUTE TO, RATHER THAN DEPEND ON, OUR SOCIETY. I BELIEVE THAT MY BILL, THE LEGISLATION INTRODUCED BY CONGRESSMAN HAWKINS, THE JTPA ADVISORY COMMITTEE RECOMMENDATIONS, AND THE ADMINISTRATIONS PROPOSALS ARE ALL HEADED IN THE SAME DIRECTION. I WOULD HOPE AND ENCOURAGE EACH OF MY COLLEAGUES TO WORK TOGETHER IN A BIPARTISAN EFFORT TO IMPROVE THIS PROGRAM.

OUR ECONOMY IS FACING TWO HUMAN RESOURCE TREND LINES -- THE SUPPLY OF UNSKILLED AND UNEDUCATED LABOR IS INCRASING, WHILE THE DEMAND FOR UNSKILLED LABOR IS DECLINING. BLACKS, HISPANICS, ASIANS AND OTHER RACES WILL ACCOUNT FOR ROUGHLY 57% OF THE LABOR FORCE GROWTH RATE FROM 1986 TO THE YEAR 2000. IF WE ADD ALL WOMEN INTO THIS CATEGORY, FEMALES AND MINORITIES WILL EXCEED OVER 80% OF THE WORK FORCE GROWTH

RATE. THESE ARE THE SAME GROUPS THAT HAVE HISTORICALLY BEEN DISADVANTAGED IN OUR SCHOOLS AND IN THE WORKPLACE. IF WE WANT A SKILLED, COMPETITIVE LABOR FORCE, WE CAN NO LONGER AFFORD TO IGNORE THESE GROUPS, NOR CAN WE CONTINUE TO DISADVANTAGE THEM.

MINORITIES DOMINATE THE POOL OF UNWANTED AND INCREASINGLY UNUSED LABOR, WITH AN ESTIMATED 44% OF BLACKS AND 65% OF HISPANICS THAT ARE FUNCTIONALLY ILLITERATE, AND IT IS ESTIMATED THAT 75% OF THE UNEMPLOYED ARE FUNCTIONALLY ILLITERATE. UNEMPLOYMENT IS AN EXPENSIVE ALTERNATIVE TO PROVIDING BASIC SKILLS AND TRAINING FOR OUR NATION'S UNEMPLOYED YOUTH AND ADULTS. THE COSTS OF NOT EDUCATING AND TRAINING OUR YOUTH IS A GREAT DEAL HIGHER WHEN ONE CONSIDERS THE COSTS AND DEVASTATION IN OUR STREETS DUE TO THE INFLUENCES OF CRIME AND DRUGS.

IF WE WANT PEOPLE TO WORK, THEN WE MUST PROVIDE THE EDUCATION AND TRAINING THAT MAKES A LIVING WAGE A REALITY IN THE LIVES OF ALL AMERICANS. WE MUST BUILD PRODUCTIVITY THROUGH EMPLOYMENT. FULL EMPLOYMENT WILL COME WHEN BASIC SKILLS EDUCATION AND TRAINING ARE AVAILABLE TO ALL. MY BILL MOVES US IN THAT DIRECTION.

I LOOK FORWARD TO HEARING THE TESTIMONY OF OUR WITNESSES TODAY ON THIS IMPORTANT ISSUE.

Senator **Simon**. We are pleased also to welcome the Chair of the Secretary's JTPA advisory committee, Marion Pines.

Where is Marion Pines? Right back there.

We thank you for being here.

The JTPA program is a good program. What we want to do is see if we can make it a better program. I am pleased to have a good working relationship with the Secretary of Labor and the staff people at the Department of Labor, and we are looking forward to working with them as we revise and improve the legislation that has been introduced.

With that, Madam Secretary, I am going to call on you. We are very pleased to have you here again.

STATEMENT OF HON. ELIZABETH H. DOLE, SECRETARY, DEPARTMENT OF LABOR, ACCOMPANIED BY ROBERT JONES, ASSISTANT SECRETARY; TIMOTHY DOUGLAS, ERICA CARSON, AND ERICA ALLEN

Secretary **Dole**. Thank you very much, Senator Simon. I am delighted to be here, and it is a real pleasure to have this opportunity to appear before you because I know that we share a strong commitment to the future of young people in this country and to the economically disadvantaged.

Mr. Chairman, all of us are certainly in your debt for the leadership and foresight that you have shown in focusing the Nation's attention on this issue.

Before I proceed, I would like to introduce—of course, you have mentioned Bob Jones, Assistant Secretary for Employment and Training, who is certainly well known to this committee and who has been invaluable in the preparation of the initiatives that we are presenting to you today.

I would also like to introduce three very special young people: Ms. Erica Carson and Ms. Erica Allen and Mr. Timothy Douglas. They are outstanding enrollees in model JTPA-funded programs which embody some of the principles that we will be discussing here this morning.

Ms. Carson and Ms. Allen are in the Cities and Schools Program in Atlanta, Georgia. And Mr. Douglas is in Project Redirection in Brooklyn, New York.

I met these young people when I toured training programs across America at the end of March. We believe that thanks to JTPA they have a bright future before them. They and thousands of other young people like them are what our deliberations here are really all about.

Our discussion today is focused on challenges and opportunities facing America, ensuring that every person is qualified for a job in our rapidly growing and changing economy.

My comments today respond to that challenge by calling for a major initiative in training and employment for disadvantaged youth and adults under the Job Training Partnership Act.

While unemployment in America has over the last few months been at its lowest point in 15 years, 5.2 percent, youth unemployment is 14.4 percent, and minority youth unemployment a staggering 30.8 percent.

But the job market today and for the foreseeable future holds great possibilities for our youth. The labor force is growing at only about 1 percent annually, and that is expected to continue through the year 2000. The average age of the American worker will rise from 36 to 40 in the next dozen years. While labor demand will increase, the supply of young teenage workers will shrink. We truly have the chance, together, to fulfill a dream that everyone who wants a job can have a job if they have the skills. More women, minorities, disabled, and disadvantaged, many who have been at the end of the line, will finally have their chance for productive jobs.

For employers, this tightening labor market means the stakes grow higher. As a number of American industries face a worker shortage, they have a vested interest in building a quality work force. And education and training will be the key to making our Nation ever more competitive in a highly complex global market.

The stakes are high, too, for America's youth and all Americans. Most assuredly, the self-respect and independence a job provides can go a long way toward combatting social ills such as teenage pregnancy, drug and alcohol abuse and crime.

But for some of our youth the real barrier to employment is not just the skills gap, but a motivation gap as well. I believe it is rooted in an earlier time when jobs were less plentiful. Thus, many lowered their expectations of themselves and of the marketplace.

These problems, by the way, are not restricted to inner-city communities. The skills and motivation gaps are apparent in communities of all economic levels across the Nation. But it is a new day. Youth are needed. They are wanted. They are respected. There are jobs today if they have the proper skills.

And that's where we come in.

I believe there is a potential for making a dramatic difference in how we motivate our youth, and how we ensure they have the skills to become productive members of America's work force.

But there is no doubting the enormity of the challenge. With nearly 25 percent of high school students failing to graduate and many graduates unable to read their own diplomas, the dimensions of our workforce problem become clear. Simply put, we may be witnessing a new population of disadvantaged young people, those unable to step up to the career starting line, not solely because of poverty backgrounds, but rather due to a serious lack of skills and lack of motivation relevant to handling the demands of entry-level industrial and service industry jobs.

For years the Government has been distributing money in a fragmented and piecemeal fashion and sometimes without clear expectations of what the recipients should achieve.

The Labor Department's Job Training Partnership Act is the most successful training program ever undertaken. Its record on advancing the employability of disadvantaged youth and adults and returning dislocated workers to the economic mainstream has been unprecedented. We estimate that 68 percent of those who go through JTPA are placed in jobs, a record that no other job training program has equalled.

But JTPA, as you mentioned, Mr. Chairman, can be made even better. Funds do not always reach the individuals and areas who need help the most. In some communities, it is felt that the program does not always result in good jobs and a higher standard of living. Some programs which provide related services operate in isolation from one another, and all too frequently the burden is on the individual to go to many different places to be served.

There is an urgent need for more than job training. Many desperately need basic skills training, literacy, and remedial education. How else will we break the cycle of unemployment and arm youth not just with a job but the independence and the skills for a lifetime of productive work? Current programs often have short-term success measurements and short-term results, or they simply may be addressing the wrong problem for a particular youth and omitting his real needs.

Recently, I undertook a fact-finding mission, as I mentioned, a nine-day, nine-city tour, where I visited a host of job training programs. And I wanted to find out what works and what doesn't. Are we training for the jobs of the future? And I came back to Washington inspired, to say the least, with a sense of missionary zeal, if you will, Mr. Chairman, inspired by the young people I met, whose lives have taken on new direction and new meaning because of the experiences they have had in these programs.

And you will be hearing from several of them shortly.

As I said, in drafting our proposals we recognized that as good as JTPA is, it can be better. Despite its superlative training and placement record, we must reach more of the least skilled and most disadvantaged.

I might note, Mr. Chairman, that while we develop this legislation, we have, as you know, the benefit of the advice of 38 distinguished Americans who serve on the JTPA advisory committee, chaired by Marion Pines. And I am pleased to be able to tell you and the members of the committee that our bill incorporates the wise counsel of that committee. We appreciate very much the outstanding work that the chairman and the distinguished members have done. And certainly our recommendations are based on those recommendations.

Although our bill is now being prepared, I can say that four basic principles are key to our efforts: improved targeting of those in need or at risk; achieving a comprehensive, coordinated human resource policy; enhancing program quality; and increasing accountability.

I would like to indicate now how these principles will be reflected in our proposal.

Improved targeting of those in need or at risk: One of the principal criticisms of JTPA has been a lack of specific focus on those least skilled and most economically disadvantaged.

As in your bill, Mr. Chairman, we intend to respond to that criticism. Given the healthy state of our economy, many of the disadvantaged can readily find their way into competitive employment without assistance. We need to target resources on those individuals, particularly in-school and out-of-school youth who have a serious need and may not make it without our intervention.

Our bill will achieve this in three ways: by tightening the eligibility requirements for the program; through changes in the allocation formulas; and by authorizing a major new program for youth both in the Nation's inner cities and rural areas.

Currently, as you know, eligibility is open to anyone who is economically disadvantaged. We propose to add a requirement that all participants in the program be assessed and, in the case of youth and 50 percent of the adult participants, enrolled only if they face additional barriers to employment such as basic skills deficiency, teenage parenting, homelessness, and youth who are dropout-prone due to a poor school record. We feel that these additional requirements will ensure that only those truly in need will be served by the program.

We propose to provide separate parts in the act and separate formulas for youth and adults. We will also change the funding formulas for Title II of JTPA to move funds to geographic areas with higher numbers of economically disadvantaged persons.

Finally, we will propose a major new program of challenge grants to stimulate communitywide action targeted on youth in our country's most problem-ridden inner-city neighborhoods and rural areas. Under these grants, the community must provide the higher-quality services required in our proposed new youth program which I will discuss in a moment and, in addition, must demonstrate new ways for communities to combine their program efforts to improve employability of disadvantaged youth. They must ensure that all participants receive services that meet their job training needs and personal career goals, and they must provide the localities with incentives to coordinate service programs, thereby reaching more youth and serving them better. And they must establish standards of achievement, thus increasing the accountability of both service providers and youth alike to achieve positive outcomes.

Now, given budget realities, States should be developing coherent human resource development policies, especially for the disadvantaged population. Unfortunately, many States haven't done so. Admonitions from the Federal level haven't worked. Human resource programs are still run in a largely uncoordinated fashion, resulting in scarce resources being used with frequently duplicative administrative arrangements.

Closer integration of services will be woven throughout the fabric of our bill.

The centerpiece of our program integration effort will be JTPA-funded incentive grants. We believe these incentive grants will be a strong enticement to Governors to develop a better overall coordinated plan, including a variety of State and Federal resources to target services to the disadvantaged. These non-JTPA programs might include vocational education, the jobs program in the new Family Support Act, and adult basic education resources. The combination of the various resources will result in better-coordinated service to disadvantaged youth and adults.

And, Mr. Chairman, I think there is great potential in this particular provision to tie together programs so that we have a comprehensive human resource program or policy and indeed to serve literally hundreds of thousands more, if the Governors use these funds to draw in other resources and target them to the least skilled and most disadvantaged.

However, to ensure the maximum impact of these changes, we will provide these grants only to States that pledge to do exactly what I have said: to link the funds as part of a clear, comprehensive, coordinated strategy with defined, measurable goals.

For example, a State might decide to develop a comprehensive plan to provide a variety of education and training services for 75 percent of the at-risk youth population within the State. To accomplish this, the State might plan and implement specific policies on how each State and Federal program would be coordinated to serve specific segments of the at-risk youth population as part of their overall strategy. The JTPA program could be used to provide intrinsic skills, orientation to requirements of the work place, and part-time and evening work experience, combined with life skills training. And then the education programs within the plan might be used for literacy, for special remediation, for basic skills instruction and work place skills instruction. And the resources of community and welfare agencies could be utilized to provide counseling services and daycare for students as well. The result would be an integrated, comprehensive policy designed to enable a far higher proportion of at-risk students to complete high school.

This is a novel, for some revolutionary, approach. It goes beyond the rhetoric of the past on this subject, and it will test the State's willingness to coordinate programs and systems to serve the disadvantaged.

Complementing this, the service delivery areas, the SDAs, will be required to develop formal agreements with their local counterpart agencies who serve the disadvantaged: education, welfare, the employment service, for example. Past agreements along these lines were largely nominal. These will involve real linkage of services and funding.

Of course, coordination is a two-way street. We are, therefore, pleased that Congress included provisions for coordination with JTPA and education in the jobs program of the Family Support Act.

We also applaud the section of the House legislation to reauthorize the Perkins Act which would strengthen the link between vocational education and JTPA.

Our JTPA proposal and these welfare reform and vocational education provisions will provide the legislative framework to build new, closer program relationships at the Federal, State and local levels.

I have met with Secretary Sullivan and Cavasos to establish the basis for that working relationship, and we are pledged to make this work, and our senior-level staff are now meeting regularly to put that relationship into operation even before new legislation is enacted.

It follows that if we are to reach further back in the queue to help our most disadvantaged citizens, we must make available a total support system, to enable these individuals to become employable.

We have taken a hard look at the services of JTPA, and we propose to make some changes to improve the support network.

First, Mr. Chairman, you have recognized the importance of individual assessment in your bill. We too will require that participants be assessed to determine the specific services they want and need and, on the basis of that assessment, a service strategy will be devised for each youth.

Second, SDAs will be asked to offer appropriate service options so that a participant's need for services can actually be met. That is a total support system.

Third, to enhance service quality, as provided in your bill, Senator Simon, local programs will provide achievement standards for the participants.

And fourth, our proposal will allow for longer-term, more intensive services, particularly for youth. It will place increased emphasis on the acquisition of basic skills, literacy, and remediation, and it will allow follow-up assistance for a year after a participant enters the labor market.

So we are not talking about just funding based on how many people you train and push into job slots. We are talking about what happens to them six months later or a year later. We are talking about basic skills that will help to break the cycle of unemployment and give these young people the tools they need not just for a job but a lifetime of productive work.

Finally, summer jobs for youth will be integrated with longer-term education and training services. By that I mean that there will still be the option for summer jobs but only if the young people are involved in more in-depth training, year-round or under the JOBS program. Then they can also participate in a summer jobs program, but not just summer jobs alone.

Clearly, higher-quality services will increase the cost for each person served. But these services will increase our long-term success rate. While implementing these program improvements, we want to preserve maximum flexibility and discretion for those delivering services. And let me just add again that I expect that with that 6 percent incentive provision, that we can serve many, many more as that implemented by the Governors.

Mr. Chairman, in my view, one of the key reasons for the success of the JTPA and its positive image in communities across the Nation is the emphasis on performance. Indeed, JTPA has broken new ground in setting concrete, meaningful standards of performance for training and employment.

We will build on this experience and include new provisions to further enhance accountability. A departure from past practice will be the establishment of more competency-based programs that have specific performance standards so that we and the individuals being served can tell how they are progressing. It is essential that we raise expectations, our own and those of the disadvantaged people we are trying to help. We need to give them a clear understanding of what they can expect from JTPA, what we expect from them, and how these expectations will be achieved.

To further assure the effectiveness of our service to a more difficult-to-serve clientele, we propose to incorporate basic skills achievement, as I have said, in our standards, and include provisions for the development of longer-term measurements of success. I have mentioned that we would track individuals after six months or a year on the job. I think these, Mr. Chairman, are really the salient features which we feel are going to focus this program in a more effective way and make it much more meaningful for the individuals involved and for our employers who are going to need trained workers.

I would now like to turn to your proposed Job Training Partnership Act amendments. I have referred to your bill throughout my testimony. But clearly, Mr. Chairman, your proposal is, in large part, consistent with the principles of the legislative proposal that we are preparing and with the recommendations of the JTPA advisory committee.

For example, you would increase targeting of services to the hard-to-serve. You would establish a separate title for youth, provide services to youth on a comprehensive year-round basis, emphasize preventive and remedial assistance to youth while they are still in school, enhance program quality by requiring individual assessment, and further accountability by strengthening performance standards for harder-to-serve individuals.

Obviously, there are some areas where we don't see exactly eye to eye, but we are in substantial agreement on some of the major concepts. And it's going to be real pleasure to work with you and the members of the subcommittee to achieve what I believe will be significant results for those most in need of our help.

Now, Mr. Chairman, this concludes my prepared statement. And before you hear from the three young people, I would like to introduce their chaperones. They are Sharon Mahr-Wetjen and Elaine Ceconi from the High School Redirection Program in Brooklyn, New York.

If you would all just wave.

And Peggy Martin from the Exodus, Inc. program in Atlanta, Georgia.

Thank you.

Now I would like to introduce again Timothy Douglas to make a few comments about his experiences in the Project Redirection Program.

[The prepared statement of Secretary Dole follows:]

STATEMENT OF
ELIZABETH H. DOLE
SECRETARY OF LABOR
BEFORE THE
SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY
COMMITTEE ON LABOR AND HUMAN RESOURCES
UNITED STATES SENATE

MAY 11, 1989

Mr. Chairman and Members of the Subcommittee:

What a pleasure to have this opportunity to appear before you, for I know we share a strong commitment to the future of the young people and the economically disadvantaged of America. Mr. Chairman, all of us are in your debt for the leadership and foresight you have shown in focusing the Nation's attention on this issue.

Before I proceed, I would like to introduce Assistant Secretary Bob Jones, who is certainly well known to this Committee, and who has been invaluable in the preparation of the initiatives that we present to you today. I would also like to introduce three very special young people: Miss Erica Carson, Miss Erica Allen and Mr. Timothy Douglas. They are outstanding enrollees in model JTPA-funded programs which embody some of the principles we will be discussing here this morning. Miss Carson and Miss Allen are in the Cities in Schools program in Atlanta, Georgia, and Mr. Douglas is in Project Redirection in Brooklyn, New York. I met these young people when I toured training programs across America at the end of March. We believe that--

thanks to JTPA--they have a bright future before them. They and thousands of other young people like them are what our deliberations here are really all about.

Our discussion today is focused on challenges--and opportunities--facing America: ensuring that every person is qualified for a job in our rapidly growing and changing economy. My comments today respond to that challenge by calling for a major initiative in training and employment for disadvantaged youth and adults under the Job Training Partnership Act (JTPA).

While unemployment in America has, over the last few months, been at its lowest point in 15 years--5.2%--youth unemployment is 14.4% and minority youth unemployment is a staggering 30.8%. But the job market today and for the foreseeable future holds great possibilities for our youth. The labor force is growing at only about one percent annually, and that's expected to continue through the year 2000. The average age of the American worker will rise from 36 to 40 in the next dozen years. While labor demand will increase, the supply of young, teenage workers will shrink. We truly have the chance, together, to fulfill a dream that everyone who wants a job can have a job--if they have the skills. More women, minorities, disabled and disadvantaged--many who've been at the end of the line--will finally have their chance for productive jobs.

For employers, this tightening labor market means the stakes grow higher. As a number of American industries face a worker shortage, they have a vested interest in building a quality workforce. And education and training will be the key to making our nation ever more competitive in a highly complex global market.

The stakes are high for America's youth, and all Americans. Most assuredly, the self-respect and independence a job provides can go a long way toward combatting social ills such as teenage pregnancy, drug and alcohol abuse and crime.

But for some of our youth, the real barrier to employment is not just a skills gap, but a motivation gap as well. I believe it is rooted in an earlier time when jobs were less plentiful. Thus, many lowered their expectations of themselves and of the market place.

These problems, by the way, are not restricted to inner city communities. The skills and motivation gaps are apparent in communities of all economic levels across the nation. But it's a new day. Youth are needed, they're wanted, and they're respected; there are jobs today, if they have the proper skills.

And that's where we come in.

I believe there is a potential for making a dramatic difference in how we motivate our youth, and how we ensure they have the skills to become productive members of America's workforce.

But there is no doubting the enormity of the challenge.

With nearly 25% of high school students failing to graduate and many graduates unable to read their own diplomas, the dimensions of our workforce problem become clear. Simply put, we may be witnessing a new population of disadvantaged young people, those unable to step up to the career starting line, not solely because of poverty backgrounds, but rather due to a serious lack of skills and lack of motivation relevant to handling the demands of entry-level industrial and service industry jobs.

For years, the government has been distributing money to youth programs in a fragmented and piecemeal fashion and sometimes without clear expectations of what the recipients should achieve.

The Labor Department's Job Training Partnership Act is the most successful training program ever undertaken. Its record on advancing the employability of disadvantaged youth and adults, and returning dislocated workers to the economic mainstream, has been unprecedented. We estimate that 68% of those who go through JTPA are placed in jobs--a record that no other job training program has equalled.

But JTPA can be made even better. Funds do not always reach the individuals and areas who need help the most. In some communities, it is felt that the program does not always result in good jobs and a higher standard of living. Some programs which provide related services operate in isolation from one another and all too frequently the burden is on the individual to go to many different places to be served. There is an urgent need for more than job training. Many desperately need basic skills training, literacy, and remedial education. How else will we break the cycle of unemployment and arm youth not just with a job, but the independence and skills for a lifetime of productive work. Current programs often have short-term success measurements and short-term results, or they simply may be addressing the wrong problem for a particular youth and omitting his real needs.

Recently, I undertook a fact-finding mission--a nine-day, nine-city tour where I visited, as I mentioned earlier, a host of job training programs. I wanted to find out what works and what doesn't; are we training today for tomorrow's jobs? I came back to Washington inspired, to say the least--with a sense of missionary zeal, if you will--inspired by the young people I met whose lives have taken on new directions, new meaning, because of the experiences they have had in these programs. You will be hearing from them shortly.

As I said, in drafting our proposals, we recognized that as good as JTPA is, it can be better. Despite its superlative training and placement record, we must reach more of the least skilled and most disadvantaged.

I might note, Mr. Chairman, that while we develop this legislation, we have, as you know, the benefit of the advice of 38 distinguished Americans who serve on the JTPA Advisory Committee, chaired by Marion Pines. I am pleased to be able to tell you and the Members of the Committee that our bill incorporates the wise counsel of that Committee.

Although our bill is now being prepared, I can say that four basic principles are key to our efforts:

- Improved targeting of those in need or at-risk
- Achieving a comprehensive, coordinated human resource policy
- Enhancing program quality
- Increasing accountability

I would like to indicate how these principles will be reflected in our proposal.

Improved Targeting Of Those Most In Need or At-Risk

One of the principal criticisms of JTPA has been a lack of specific focus on those least-skilled and most economically disadvantaged. As in your bill, Mr. Chairman, we intend to respond to that criticism. Given the healthy state of our economy, many of the disadvantaged can readily find their way into competitive employment without assistance. We need to target resources on those individuals--particularly in-school and out-of-school youth--who have a serious need and may not make it without our intervention.

Our bill will achieve this in three ways: by tightening the eligibility requirements for the program; through changes in the allocation formulas; and by authorizing a major new program for youth, both in the Nation's inner cities and rural areas.

Currently, as you know, eligibility is open to anyone who is economically disadvantaged. We propose to add a requirement that all participants in the program be assessed and, in the case of youth and 50 percent of the adult participants, enrolled only if they face additional barriers to employment, such as basic skills deficiency, teenage parenting, homelessness, and youth who are drop-out-prone due to a poor school record. We feel that these additional requirements will ensure that only those truly in need will be served by the program.

We propose to provide separate parts in the Act and separate formulas for youth and adults. We will also change the funding formulas for Title II of JTPA to move funds to geographic areas with higher numbers of economically disadvantaged persons.

Finally, we will propose a major new program of challenge grants to stimulate community-wide action targeted on youth in our country's most problem-ridden inner city neighborhoods and rural areas. Under these grants a community must provide the higher quality services required in our proposed new youth program which I will discuss in a moment and, in addition, must:

o Demonstrate new ways for communities to combine their program efforts to improve employability of disadvantaged youth;

o Ensure that all participants receive services that meet their job training needs and personal career goals;

o Provide localities with incentives to coordinate service programs, thereby reaching more youth and serving them better; and o Establish standards of achievement, thus increasing the accountability of both service providers and youth alike to achieve positive outcomes.

Achieving Human Resource Program Coordination

Given budget realities, States should be developing coherent human resource development policies, especially for the disadvantaged population. Unfortunately, many States haven't done so. Admonitions from the Federal level haven't worked. Human resource programs are still run in a largely uncoordinated fashion resulting in scarce resources being used for frequently duplicative administrative arrangements.

Closer integration of services will be woven throughout the fabric of our bill.

The centerpiece of our program integration effort will be JTPA-funded incentive grants. We believe these incentive grants will be a strong enticement to Governors to develop a better overall coordinated plan, including a variety of state and federal resources to target services to the disadvantaged. These non-JTPA programs might include vocational education, the JOBS program in the new Family Support Act, and adult basic education resources. The combination of the various resources may result in better coordinated service to disadvantaged youth and adults.

However, to ensure the maximum impact of these changes, we will provide these grants only to States who pledge to link the funds as part of a clear, comprehensive, coordinated strategy and defined, measurable goals. For example, a State might decide to develop a comprehensive plan to provide a variety of education and training services for 75 percent of the at-risk youth population within the state. To accomplish this, the state might plan and implement specific policies on how each state and federal program would be coordinated to serve specific segments of the at-risk population as part of the overall strategy. The JTPA program could be used to provide intrinsic skills--orientation to the requirements of the workplace, and part-time and evening work experience combined with life skills training. Education programs within the plan might be used for literacy, special remediation, basic skills instruction and workplace skills instruction. The resources of community and welfare agencies could be utilized to provide counseling services and day care for students, as needed. The result would be an integrated, comprehensive program designed to enable a far higher proportion of at-risk students to complete high school.

This is a novel--for some, a revolutionary--approach. It goes beyond the rhetoric of the past on this subject. And it will test the States' willingness to coordinate programs and systems to serve the disadvantaged.

Complementing this, service delivery areas (SDAs) will be required to develop formal agreements with their local counterpart agencies who serve the disadvantaged: education, welfare, the Employment Service, for example. Past agreements along these lines were largely nominal; these will involve real linkage of services and funding.

Of course, coordination is a two-way street. We are, therefore, pleased that Congress included provisions for coordination with JTPA and education in the JOBS program of the Family Support Act. We also applaud the section of the House legislation to reauthorize the Perkins Act which would strengthen the link between vocational education and JTPA.

Our JTPA proposal and these welfare reform and vocational education provisions will provide the legislative framework to build new, closer program relationships at the Federal, State and local levels. I have met with Secretaries Sullivan and Cavazos to establish the basis for that working relationship. Our senior-level staff are now meeting regularly to put that relationship into operation even before new legislation is enacted.

Enhancing Program Quality

It follows that, if we are to reach further back in the queue to help our most disadvantaged citizens, we must make available a support system to enable these individuals to become employable.

We have taken a hard look at the services of JTPA and propose to make some changes to improve the support network:

- First, Mr. Chairman, you have recognized the importance of individual assessment in your bill. We too will require that participants be assessed to determine the specific services they want and need and, on the basis of that assessment, a service strategy will be devised.

- o Second, SDAs will be asked to offer appropriate service options so that a participant's need for services can actually be met.
- o Third, to enhance service quality, as provided in your bill, Senator Simon, local programs will provide achievement standards for participants.
- o Fourth, our proposal will allow for [illegible] more intensive services, particularly for youth: it will place increased emphasis on the acquisition of basic skills, literacy and remediation and will allow follow-up assistance for a year after a participant enters the labor market.
- o Finally, summer jobs for youth will be integrated with longer-term education and training services.

Clearly, higher-quality services will increase the cost for each person served, but these services will increase our long-term success rate. While implementing these program improvements, we want to preserve maximum flexibility and discretion for those delivering services.

Increasing Accountability

Mr. Chairman, in my view, one of the key reasons for the success of the JTPA and its positive image in communities across the Nation, is the Act's emphasis on performance. Indeed, JTPA has broken new ground in setting concrete, meaningful standards of performance for training and employment programs.

We will build on this experience and include new provisions to further enhance accountability. A departure from past practice will be the establishment of more competency-based programs that have specific performance standards so that we, and the individuals being served, can tell how they are progressing. It is essential that we raise expectations--our own and those of the disadvantaged people we are trying to help. We need to give them a clear understanding of what they can expect from JTPA, what we expect from them, and how these expectations will be achieved.

To further assure the effectiveness of our service to a more difficult-to-serve clientele, we propose to:

- Incorporate basic skills achievement in our standards;
- Include provisions for the development of longer-term measurements of success--for example, how is the individual progressing after 6 months or a year on the job.

These, Mr. Chairman, are the salient features of the Administration bill.

I would now like to turn to your proposed "Job Training Partnership Act Amendments of 1989."

Clearly, your proposal is, in large part, consistent with the principles of the legislative proposal we are preparing and the recommendations of the JTPA Advisory Committee. For example, your bill would:

- Increase targeting of services to the hard-to-serve;

- Establish a separate title for youth;
- Provide services to youth on a comprehensive, year-round basis;
- Emphasize preventive and remedial assistance to youth while they are still in school;
- Enhance program quality by requiring individual assessment; and
- Further accountability by strengthening performance standards for harder to serve individuals.

Obviously, there are some areas where we don't see exactly eye to eye, but we are in substantial agreement on some major concepts. It will be a real pleasure to work with you and the Members of the Subcommittee to achieve what I believe will be significant results for those most in need of our help.

Mr. Chairman, this concludes my prepared statement. I would certainly be happy to respond to any questions that you or other members of the Subcommittee may have.

Senator **Simon**. Before we call on Timothy, some of my colleagues have joined me here. Let me just see if they have any opening statements, and then we will be very pleased to hear from Timothy.

Senator **Thurmond**. Thank you, Mr. Chairman.

I want to join you, Mr. Chairman, in welcoming our very able and attractive Secretary of Labor here this morning, to the third in a series of hearings on revision vision of the Job Training Partnership Act, known as JTPA.

Secretary Dole and her staff have been working diligently to develop proposals to revise and improve the JTPA to better serve a population in our country that has changed dramatically since the inception of this Act.

I am especially pleased that the Bush Administration is committed to effecting changes in the JTPA that will focus on meeting the needs of disadvantaged youth in America.

I agree with the President that emphasis should be placed upon targeting youth at risk so that the least skilled and most economically disadvantaged young people of our Nation may become productive citizens. It is important that our young people be motivated to enter the work force and have access to the training that will provide them with the experience to realize that with an incomplete education and a lack of skills their future is surely limited.

JTPA programs instill self-esteem. Youth that are turning to substance abuse in modern society often are confused about the direction of their lives and have a low self-image. By reaching these young people, JTPA programs have the potential to provide these persons with direction and experience, so that they may become contributing members of the labor force in the United States.

I also agree that programs for adults should be redesigned so that the JTPA may better foster the development of basic education and occupational skills, so that adult participants in the programs may become independent of welfare entrapment.

Madam Secretary, I am sure that the subcommittee will benefit from the overview of the proposals of the Bush administration that you are presenting today. You are to be commended for working with Secretary of Education Cavazos and Secretary of Health and Human Services Sullivan to construct an intergovernmental approach to job training in the United States. Well-coordinated policy in this area will facilitate more efficient allocation of services.

Mr. Chairman, with the announcement of the JTPA initiatives of the Bush Administration by Secretary Dole, the subcommittee is nearing the point where we can address the proposals offered by our President, as well as those that you have carefully crafted in your own bill, S. 543.

I am looking forward to working with you and the other members of the subcommittee in a cooperative effort to develop this important legislation.

Mr. Chairman, since my schedule will not permit me to remain for the entire hearing, I would like to recognize at this point a South Carolinian who will be testifying after Secretary Dole.

Mr. Perry Gaines, who is chairman of the South Carolina Governor's Job Training Council, will present testimony today on the implementation of JTPA programs in South Carolina and will offer recommendations for improvement of the JTPA.

Mr. Gaines also serves as a member of the Job Training Partnership Act Advisory Committee, which has produced a helpful report entitled, "Working Capital: JTPA Investments for the 1990's".

Mr. Gaines, I am grateful that the subcommittee will have the benefit of your expertise in this area, and I welcome you.

Senator THURMOND. Mr. Chairman, I look forward to reviewing the testimony that is presented today and would like to assure you of my desire to work with you on this legislation.

It is also my pleasure to join you, Mr. Chairman, in welcoming Assistant Secretary Bob Jones who I understand has done such a fine job; as well as Miss Erica Carson, Miss Erica Allen and Mr. Timothy Douglas.

We are very pleased to have you all here too.

Thank you very much, Mr. Chairman.

Senator SIMON. Thank you, Senator Thurmond.

I want to assure Mr. Gaines that Senator Thurmond is a very hardworking member of this United States Senate, and we are very proud to have him.

Senator THURMOND. Thank you, sir.

Senator SIMON. Senator Kassebaum?

Senator KASSEBAUM. Thank you, Mr. Chairman.

I would just briefly comment at this point and really save most of my comments for later, that I am very impressed with the testimony of Secretary Dole. I think your efforts, Mr. Chairman, for JTPA, combined with Secretary Dole's really focus in the same direction: integration incentives, and a thoughtfulness to the approach of coordination that I think is essential. And it seems to bode well for what I think will be a very constructive approach to the reauthorization of the Job Training Partnership Act.

Senator SIMON. Yes, I think we are moving in the same direction. If I could just add that comment. And I think we are going to get a good bill out of this committee that all of us can agree upon.

Senator Hatch?

Senator HATCH. Well, thank you, Mr. Chairman. I am happy to be with you and really happy to welcome our Secretary and her friends with us today, and Bob Jones as well, who has done so much in this area. We appreciate the efforts you have made.

Madam Secretary, I like what you are saying. I like the shifts that you are making. They are modest changes, but they are important. They may not be so modest in some ways if we really get them done.

And I want to compliment the chairman for his willingness to work with the Administration. JTPA was a singularly important work of this committee during the Reagan years, and since then we learned a lot about how it works. I think you have made some excellent suggestions here today to help resolve problems in JTPA where it may not have worked as well as it should even though, as a general rule, it has been a marvelous bill.

It has certainly been the best job training bill that we have ever had come out of Congress, and this committee is very proud of it. I think from across the board, Democrats, Republicans, liberals to conservatives are very proud of what JTPA has done.

So, with your leadership, I think we can go on to unparalleled heights here and do even a better job. And I just want to tell you how much we appreciate the work you are doing and, Bob, the work you are doing as well.

And you young people, we are very glad to have you here in front of this committee. We appreciate you and what you stand for. We will be interested in hearing or reading your testimony as well.

Thank you, Mr. Chairman.

Senator SIMON. We interrupted you, Madam Secretary, when you were about to introduce Timothy here.

Secretary DOLE. Yes. And let me just say that indeed these three young people are my friends. We got to know one another when I was on the road and I was very impressed with what was happening in their programs and asked if they would be willing to come and tell you a little about it and their own experience because I think their telling it is much more compelling than my relating what I heard on the road. So I am going to ask Tim if he would start for us and just to tell a little bit about your own experience in your program, Tim.

Mr. DOUGLAS. To the chairman and subcommittee members and to the press and to all those well-wishers, I bring you greetings from New York, High School Redirection.

My first few months at High School Redirection was not a great success. I was not the nicest kid you'd want to meet. I was a very evil-terror kid. Whoever came my way I tore them down like a lightning bolt. I was very mean at some point. I didn't want to be bothered. I didn't want to learn anything. I came to school every day. No problem with me coming. I just didn't want to be bothered.

I was in a new environment. I didn't know anyone. My old school was very different where I knew everyone, and I ran the halls all day. I didn't find no interest in learning.

But there was one teacher who would not leave me alone. She would pick at me and pick at me. She would say nice things, "Good morning," to me. And I would look at her and say, "Lady, please." [Laughter.]

Mr. DOUGLAS. She kept taunting me, and she said she saw something in me and knew that I had a better opportunity as a disadvantaged youth, as they say, to make it in society. And she kept going with me, and one day I gave her a smile and I said "Good morning," and she almost fainted. It was a chain reaction. High School Redirection is a place where many kids have come with teenage pregnancy. We have a daycare center. We have disadvantaged children—kids, rather. Our Star program, which I am in, is a literacy piece. It helps you with your reading, your writing, your math skills, which I am working on my reading skills since I have been there. And it all has been working out. The program is a success.

The teachers are not just teachers, they are friends. They are willing to help you. They are willing to take you out to dinner if you do something well. They are willing to take you to meet their families and differing environments. They are giving you a helping hand when you need one.

I had the opportunity to go to Boys Harbor with my teacher, and meeting the other students when I was still in my stage of being this evil guy. And it sort of changed me, and High School Redirection is a family process. We work together as a family. You can sit in a classroom and not know how to spell a word. It doesn't feel embarrassing to ask your neighbor can you help me spell this word?

In a regular high school, if I would ask where there are 10,000, 12,000 kids and 50 kids to a class, and I would ask my neighbor can you help me spell this word, he would look at you and say are you stupid?

They are expecting you, when you come into high school in ninth grade, to know how to read, to know how to write, to know how to do simple math things. But it helps you in a way that High School Redirection does, in a small-class environment. You have two teachers to a class sometimes, one teacher to a class. And it really helps out when you can have friends you can turn to to ask them to help you spell a word, how are you doing today? If any family problems that you have, it's easy to talk to someone about them. It's not feeling, well, I am the only one in the school with this problem. We all know that we have a problem in our school, it's we're not ashamed to talk about it. If you feel ashamed to talk about it, then there's something wrong. You don't need to be in High School Redirection.

We have what you call a few rules. We are not allowed to call anyone stupid. All our lives, teachers and other people have been calling us stupid. If you call anyone stupid, you have to apologize to that person and to whoever is around when you call them stupid.

We have what you call a wake-up call every morning, which I have to get. I seem to can't make it to first period every morning. It's 7:00 in the morning, teachers call you. I got a call at 6:00 one morning, not expecting it.

But the teachers there do care, and they are willing to help you at High School Redirection. It is a very, very good school. But I can see what we more need in our school is more teachers, teachers that are willing to teach you, not willing to write something on the board and go in the back and sit down and read a newspaper. Those type of teachers we don't need. We really don't need teachers who don't care about learning and how to go about learning and teaching students to learn.

But in aspect, the school is different from other high schools. It gives you a whole different outlook on how the school is run. My thing is our building is very—not so great. If you put a regular high school and High School Redirection on the same block, I can automatically tell you which one is the alternative high school. The building is not so great looking. But in other aspects it is a great school, and I love it there. And I might start to cry if I have to leave soon. [Laughter.]

Mr. **Douglas**. So thank you for this time, Mr. Chairman, committee, and Mrs. Dole.

Senator **Simon**. Thank you.

And I might mention for the other members of the subcommittee, these alternative high schools are partially funded by the JTPA program.

Secretary **Dole**. Tim, you told me when we were in New York about some future plans that you hope to carry out. Do you want to share that?

Mr. **Douglas**. I plan to go to college. I plan to go to McCallister School of Funeral Services. I would like to be an undertaker. So that is the kind of plans I have.

Secretary **Dole**. College is next.

Erica Carson, would you share with us your experiences?

Ms. **Carson**. Good morning. It is an honor for me to be here, and I also bring you greetings from Atlanta, Georgia.

As a small child I was separated from my mother for two and a half years, and I have an older brother. He is three years old than me. And my mother was--she was incarcerated for murder. And it was very hard for my brother and I to be shipped from home to home, not knowing where our next meal was going to come from, and just trying to do the best we could to make it.

My aunt abused us, and it was just so hard. I didn't know what a family was like. And after we were reunited with my mother, it was just so hard. And I didn't understand what was happening to me. So I went on through elementary school and middle school. My grades were pretty good. And as a freshman I enrolled in Northside School of the Arts. It was my dream school.

And music is my life, and all I wanted to do was to sing. But because of my background, where I came from, the clothes I wore, the things that I didn't have, the things that I had, I didn't feel I was given the opportunity to express my talent. And I transferred from the School of the Arts, and I went to South Georgia.

When I was in South Georgia I lived with my grandmother on my father's side because my mother was incarcerated again for the use of marijuana. And I couldn't hold this against her because I know she was her own individual and she has problems just like all of us do. But I still didn't understand what was happening to me.

So after a year and a half I moved back home. I reauditioned for the School of the Arts, and I was accepted again. At this time I was working a part-time job, but I didn't do part-time hours. I was forced to work 40 to 50 hours per week if I wanted to keep my job. My mother was disabled to work at this time because she had been in an accident.

And at the time I was trying to work all of these hours, do homework, go to school every day and do all that I could to help my mother through this, my brother dropped out of high school and went to Job Corps. When he came back, he didn't utilize his skills. He would work on a job for two weeks, get a paycheck, and quit, hang out with his friends and smoke marijuana.

But I didn't want to do all of this. I used it to my advantage. I saw the things that they were going through, and I didn't want to go through that. And I found out about the Exodus Cities and Schools program. And I want to note that Exodus, Inc. is not funded by JTPA. And when I got to Exodus, it was just like a family for me, being in a class of 15 to 20 students, where a teacher knew my name. I wasn't just another number on a roll.

When I was having problems at home communicating with my mother, my brother wasn't there. They took me in, they gave me food when I was hungry, money to buy clothes that I didn't have, and they just really treated me as if I were someone, regardless of where I had been. They didn't judge my future by my past, what I had gone through. They instilled in me the importance of having a positive attitude. They let me know that it's my attitude, not my aptitude that would determine my altitude.

Then they just stressed the importance of setting goals. And I know now that a goal is anything I can have, do, or be. I know who I want to be, where I want to be, and what I want to be. I can now expand my comfort zone. I can walk in a room full of people that make $100,000 a year and say my name is Erica Carson and, yes, I am somebody.

I have a good self-esteem. I feel good about myself, and I am proud of what I stand for and what I believe in. And I just would like to say that the Exodus Cities and Schools program really saved my life. I don't know where I would have been.

According to society, I was a possible drug user, a potential dropout, a throw-away, a turn-off. But regardless of the generalizations, the stereotypes, I can now say, "Yes, I am a risk, society is partially right. However, I am a positive risk, I am at risk off being one of the greatest leaders of my Nation. I am at risk of sitting down with my brothers and sisters, saying no, it's hope, not dope."

And I just would like to thank God, the Cities and Schools program, and people of your stature for sitting down and listening to me. I am down in Georgia and the capital is here, but yet I feel that there is hope because people like you have taken the time to listen to me.

[Applause.]

Senator SIMON. Erica, we are very proud of you.

Thank you, Erica.

Secretary DOLE. Now Erica Allen will also visit with us about her experience.

Ms. ALLEN. Good morning, Mr. Chairman.

I attend Rich's Academy in Atlanta, Georgia, and that is on the sixth floor of Rich's Department Store. And at my previous school I had a problem with my self-esteem and belonging. I thought that I didn't belong with that school system that I was participating in. I felt that I wasn't learning because at the schools that I attended it was like suites and in the suites you had open classrooms, only partially they are separated by partitions. And I felt that I couldn't learn.

Also, I was a truant. I cut class. I mean I was a master at cutting class, and most times I didn't come. They cited me three months of school and during that whole three months no one called my house to ask where was I, why didn't I come to school.

And I also didn't like myself. At the time when I was at my school, I didn't know that I didn't like myself. And when I enrolled in Rich's Academy under the Exodus Cities and Schools program, the first thing that they tried to tackle was my self-esteem because they said how can we care about learning if we don't care about ourselves first?

And so after I tackled my self-esteem, I started making good grades. I was like a student in the middle. I didn't have straight A's, but I wasn't an F student until I started missing my days, and they kind of help each one of us, you know, everyone. And since being there I am in the Exodus Players, the Student Leadership Council, and I hope to attend Agnes Scott College next year and major in political science. Thank you.

Senator SIMON. We thank you very, very much.

If I may ask Tim first, who is that teacher who kept saying good morning to you?

Mr. DOUGLAS. Mrs. Ceconi. [Laughter and applause.]

Mrs. Elaine Ceconi. That's her name.

Senator SIMON. Well, good for you. And you are one of the heroes of this hearing, too. We are very, very grateful to you.

Now we found out that Tim wants to go into mortuary science, and you are going to go to Agnes Scott College. What are you going to study?

Ms. ALLEN. Political science.

Senator SIMON. Oh, that's right, you mentioned that.

She will be sitting up on this side of the table one of these years. [Laughter.]

And Erica, what are your hopes?

Ms. CARSON. I plan to go to Clark College, which is Clark at Lanson now, and major in communications.

Senator SIMON. And your are interested in music too, as I understand it.

Ms. CARSON. Yes. But I know that the music business isn't guaranteed for anyone, so I want to have something to fall back on. [Laughter.]

You are being very, very practical. [Laughter.]

Senator Kassebaum?

Senator KASSEBAUM. I would just like to say, Mr. Chairman, I think it was very impressive testimony.

I am interested, Tim, you said part of the funding for the High School Redirection is JTPA funding. Is that correct?

Mr. DOUGLAS. Yes.

Senator KASSEBAUM. And then the rest is from, say, New York City public schools?

Mr. DOUGLAS. Yes.

Senator KASSEBAUM. And it is a combination?

Mr. DOUGLAS. Yes.

Senator KASSEBAUM. How did you get there as a student?

Mr. DOUGLAS. My guidance counselor suggested—that's quote, quote—he didn't suggest, he said you better go because you're not going to make it here.

Senator KASSEBAUM. What grade was that at that point?

Mr. DOUGLAS. Ninth.

Senator KASSEBAUM. Ninth grade?

Mr. DOUGLAS. Ninth grade. He said I know a school you can go to, High School Redirection; you may not like the neighborhood, but go anyhow. So that's how I got to go to the school.

Senator KASSEBAUM. That's impressive. And I would point out that you said that it was your teacher, and you hoped that there were more teachers like that, and that is very true. But I would also say that you obviously had something that you brought to this even though you might not have known at the time, or else you wouldn't have stuck with it.

And I think that all three of you as students are to be commended for what you brought as well because it was a recognition somewhere that ultimately this was an important responsibility on your part.

And I would hope that you will have the opportunity to share your thoughts and your experiences because I can't help but think it's very inspiring to other students who may be struggling with some of these same challenges that the three of you faced, and there are many students who do, as you know.

Just one other question on the Exodus School. And that is not funded by JTPA; is that right?

Ms. CARSON. Cities and Schools receives money from JTPA, but Exodus, Inc., we're, you know, privately funded.

Ms. ALLEN. We get money from private supporters along with the Atlanta public schools.

Senator KASSEBAUM. I wondered if it had some public school funding as well.

Ms. ALLEN. We get our teachers from the school system.

Senator KASSEBAUM. I see. And again, it was referral from another high school?

Ms. CARSON. A lot of our students are referred from the Atlanta public schools, and then some of them have just dropped out of high school and just want to go back and get a diploma.

Senator KASSEBAUM. Thank you very much.

And thank you, all three of you, for coming today and testifying.

Senator SIMON. Senator Hatch?

Senator HATCH. Well, I want to thank you, Madam Secretary, for bringing your friends with you.

I think all three of you have added a lot to this hearing, and it helps all of us to realize how important it is to continue these funds and to do it in the very best way and to administer them properly as well. We are grateful to have your teachers here with you and those who have been such real support to you.

I expect you to sit in the Congress some day. Now, you're going to have to keep studying real hard.

And, Erica, I want you to send me a recording because you just never know, we may know some of these people who might help your career along. [Laughter.]

Senator HATCH. Do you sing like Whitney Houston, or who do you identify with?

Ms. CARSON. Well, I don't have a favorite artist at this time. Whitney Houston used to be my favorite. At this time I just like to sing my own style.

Senator HATCH. I want to hear that. Whitney is one of my favorites, I will tell you that.

Ms. CARSON. I am presently working with Polygram Records—well, we're working towards a contract, and I do have some demo tapes at this time.

Senator HATCH. You better send one. [Laughter.]

Senator HATCH. In case you don't know, my name is Orrin Hatch. I would like—[Laughter.]

Senator HATCH. I want to get one of those.

Ms. CARSON. I have some with me.

Senator HATCH. Oh, good. [Laughter and applause.]

Senator **Hatch**. I want you to bring it right up right here and now. Do you have one right there? Can you get it up here now?

Ms. **Carson**. It's in the back.

Senator **Hatch**. All right. You get it for her and have her bring it right up.

I have to leave, so I want it right now while I am talking to you. [Laughter.]

Senator **Hatch**. I am proud of you. I know what it's like to be raised on the wrong side of the tracks and to not have a lot of opportunity. And I want you to know much we appreciate all three of you, and I want you to know there are very few young people in this society who would have the guts to come here and testify the way you have here today. And we appreciate it.

And I think it also helps you to realize what a wonderful Secretary of Labor we have and assistant secretary here, because they do a terrific job, and we are all dedicated to make sure these funds go farther, do more, and that they be properly administered.

So I just want to thank all of you for being here. We appreciate it.

Go get that recording right now. I'd really like to have it. [Laughter.]

Senator **Simon**. If I may just follow through with the three of you on one other question. It is a personal question. If this alternative school had not been there for you, where would you be today, do you think?

Ms. **Allen**. I would have found somewhere to go. Someone would have helped me. I would have found some school to go to, probably some kind of training school or community college or somewhere.

Senator **Simon**. Okay.

Erica?

Ms. **Carson**. Well, I would probably still be working at Wendy's in Chambley, Georgia. That was the job I had. And that was, you know, my only means of support at that time, you know, trying to do for myself.

Senator **Simon**. Tim?

Mr. **Douglas**. I would probably be at another alternative high school. There are a few in New York. I would probably be at one of those instead of High School Redirection.

Senator **Simon**. Well, we thank all three of you.

Madam Secretary, let me just add my appreciation to you for two things, not only for bringing the three of them—and I would add, in agreement with Senator Hatch, it takes some courage for the three of you to come down here, and we appreciate your being here—but Secretary Dole, for two things: One is for meeting with Secretary Cavasos and Secretary Sullivan and try to see if we can coordinate. We can put all the coordination into the law that can be there, but unless it takes place at a practical level, it isn't going to happen. And I think that is very important.

Second, whether we are Senators or Cabinet Secretaries, too often we make decisions in isolation from reality, and your visiting eight different cities and spots where programs are taking place, I think that you can just do a much more effective job. I want to commend you for that.

Secretary DOLE. Mr. Chairman, these are the kinds of programs that we are requiring be incorporated in the challenge grants and the incentive grants. So I wanted to use it for that purpose too. These are proven models that work, that have made a difference in the lives of young people, and that is the kind of program we would anticipate would be incorporated under these grants.

Senator SIMON. Thank you.

Senator KASSEBAUM. I'm sorry, Mr. Chairman, but I have a question that Senator Thurmond wanted me to ask.

Senator SIMON. You go right ahead, Senator Kassebaum.

Senator KASSEBAUM. He wanted me to ask you, Madam Secretary, are you familiar with the study issued by the George Washington University Center for Social Policy Studies earlier this week on the Federal Government's management of job training programs? Senator Thurmond said he would be interested in any comments that you may have concerning this study.

Secretary DOLE. Yes, I did see a copy of the working paper and had a chance just to briefly review it. And frankly, as I looked through it, I thought, have they seen my testimony, because we are very much in sync in terms of the kinds of changes that need to be made.

They are very much concerned about literacy, and I think, Bob, you testified recently before the Education Subcommittee that we have 41 literacy projects under way now. That that is certainly built into all of the plans that we presented to you today as part of the basic training that we think is so important.

Another aspect of that was to target assistance to those who most need it, and of course that is basic to the recommendations that we make today, as well as coordinating educational and occupational training. And once again, that is built into every level of these recommendations at the local level, the State level, the Federal level: a comprehensive human resource policy.

And frankly, Senator Kassebaum, if we don't accomplish that, I don't think we have a prayer of making a significant difference. That is absolutely basic. The word coordination rolls very easily off the tongue, but we are quite serious about this, that it must be done and it's an integral part of these plans, or we will not have a significant impact.

Senator KASSEBAUM. Thank you. I think that is absolutely right, and I am very impressed with the focus that you are bringing to those initiatives.

Senator SIMON. Senator Hatch, before you get that tape, do you have anything you want to add here? [Laughter.]

Senator HATCH. I am just looking forward to the tape. [Laughter.]

Senator HATCH. But I am proud of all of you, and it has just been wonderful to have you here.

Senator SIMON. We thank you, Madam Secretary, Mr. Jones. And Erica and Erica and Tim, we thank you.

We will take a 15-minute recess. We have a live quorum, and have to be sworn in over on the floor for the impeachment of this one judge.

So we will stand in recess for 15 minutes.

[Recess.]

Senator SIMON. The subcommittee will come to order again.

My apologies, but we have been tied up on the Floor of the Senate.

Let me add that Senator Lautenberg is scheduled to be the next witness, but until he arrives I will go ahead with the next panel.

Marion Pines, Ann Abel, Perry Gaines, and Lilliam Barrios-Paoli, if they will please come to the table.

We will enter the full statements of all the witnesses in the record. I regret the problems on the Floor of the Senate have restricted our time here now. We will ask each witness to confine himself or herself to five minutes in their oral presentation, and we have the lights here to indicate. When the light turns red, that means you are in trouble here on time.

First let me call on Marion Pines, who chairs the JTPA advisory committee, who is a senior fellow in the Institute for Policy Studies at Johns Hopkins University.

Very pleased to have you with us, Ms. Pines.

STATEMENT OF MARION PINES, CHAIRMAN, JTPA ADVISORY COMMITTEE, AND SENIOR FELLOW, INSTITUTE FOR POLICY STUDIES, JOHNS HOPKINS UNIVERSITY, BALTIMORE, MD; ANN ABEL, MEMBER, JTPA ADVISORY COMMITTEE, AND DIRECTOR, VERMILION COUNTY JOB TRAINING PARTNERSHIP AT DANVILLE COMMUNITY COLLEGE, DANVILLE, IL; PERRY GAINES, MEMBER, JTPA ADVISORY COMMITTEE, AND CHAIRMAN, SOUTH CAROLINA GOVERNOR'S JOB TRAINING COUNCIL, SPARTANBURG, SC; AND LILLIAM BARRIOS-PAOLI, MEMBER, JTPA ADVISORY COMMITTEE, AND COMMISSIONER, DEPARTMENT OF EMPLOYMENT, CITY OF NEW YORK, NY

Ms. PINES. Thank you, Mr. Chairman. It is delightful to be here today. And it is so interesting to see that we are all talking along the same lines. It is, I think, unprecedented that your committee, that the administration, that our advisory committee all have very, very similar recommendations, which makes us very optimistic that we are going to get a very good bill out of this.

I think that I am just going to summarize very quickly some of the major points we have because obviously you have read our report.

We really believe that we have a strong system in JTPA and that therefore we think it has the flexibility to adjust to changing times. And those changing times, we think, are very evidenced by the changes in the nature of the work force and the work place that we see ahead of us in the decade ahead.

And that is really the principal reason that we are recommending much more targeting on basic skills, that the work place is getting to be a much more complex place and at the same time we have so many people needing to get into that work place because of the skills shortage, the labor shortage, that we need to reach out to those people who, without sustained help, simply will not make it into the work place. And that is the new thrust or the tighter thrust that we are recommending for JTPA, to look for people basically who do not have those skills.

Now that has a lot of implications once you go with tighter targeting. It then has important implications for the allocation formula because obviously we want the money to follow the people. If we need to serve those people who lack basic skills, we are recommending just as you do in your bill that we build a much stronger allocation based on economically disadvantaged, that the money will follow the people.

It also has implications for the whole service delivery in that we are now saying we have to individualize the system. It is no longer that we have a program and we look for someone to fill a slot; now we need to find the person and to develop a sequence of services that will fill that person's need that starts with a basic assessment, where they are and what they need, and then the system needs to tailor a sequence of services to help them get to where they need to be so that in fact they can become self-sufficient over the long term.

I should add—and we spoke to it, you speak to it in your bill, we spoke to it in our report—the system needs more money. We know we have a serious budget deficit. We are only serving 4 percent of the population now. If we follow your recommendations and our recommendations, we may be serving a smaller percentage, in truth, because we are talking about more intensive services to people more seriously in need.

So we would very much endorse your request for additional funds and think it is a very good investment.

We also feel that if we are asking the system to deal with more seriously disadvantaged people, that we have to loosen up some of the constraints that are on the system now in terms of strategies, such as work experience, such as not being able to pay stipends or incentive awards. Some of the cost constraints we think are arbitrary and should be relaxed.

So we are willing to say tighten up the front end, as we have talked about in the committee, tighten up the back end in terms of performance expectations, but let's loosen up the middle so that in fact local areas have the flexibility and the creativity to put together the right kind of services that they need to do.

So we are recommending that you look again at work experience and cost caps.

Here is the Senator. Do you want us to withhold?

Senator **SIMON**. Why don't you finish your testimony and then let me call on Senator Lautenberg, if you will.

Ms. **PINES**. That will be fine. Thank you.

So we ask that you look at the loosening up of those cost caps, and I think you do in your bill say that we can do more in support services, but we think in admin it ought to be done too.

For the outcome expectations, we think as you do: They need to be clarified, they need to be sharpened, they need to be more focused, and we need to measure improved competencies for both adults and youth, that it isn't just the job, what we are looking at are proxies for long-term improvement. And we have been told that improved competencies and the ability to get a job at a decent wage rate are probably the best proxies for long-term self-sufficiency. And that is what we are very hopeful for.

Now, we can't begin to compete with the panel that preceded us in that very impressive statement by the Secretary and the very moving statements of the youth who were here. But certainly they speak eloquently to the need to concentrate more on youth. And as you know, in our bill—not our bill, in our report we again say yearround focus on youth.

We don't think we need a summer standalone program anymore. The economy has changed. We can't accomplish as much with kids as needs to be accomplished, and we would instead request that that 40 percent that is in the youth and the adult title be merged with the summer employment program and have a yearround youth strategy and certainly put more money into that youth strategy.

That speaks to much more collaboration with school systems in terms of changing the way they deal with kids while they are in school and it speaks to doing a lot more aggressive work with kids once they have dropped out.

So this is both a prevention of dropout and of trying to get kids who have dropped out back into the mainstream again.

Structurally we are saying let's give 85 percent of the money to the SDA's and keep 15 percent at the State level. We are recommending doing away with all the set-asides. You still maintain some of them in your bill. We would ask that you look at that again. The 3 percent, the 6 percent, the 5 percent, the 8 percent are worthy, but it is all a lot of mechanical things that we think can be accomplished, a lot of those things are the things that the Secretary proposed this morning, that incentive grants to States to really pull these systems together. That is what has to be done. We have the jobs bill now which has the potential for being an alternative or a parallel delivery system for job training. We have the vocational education bill. We have the JTPA. It isn't enough for you all to write in coordination in the legislation, you've got to make it—we've got to have a tool to make it work.

And I see my light is going on.

That is basically the important things we want to say. We need an instrument for collaboration. And I think after the Senator speaks, my associates on the advisory committee will flesh out much more of this.

Thank you very much for the opportunity to be here today.

Senator SIMON. Thank you, Ms. Pines. And you just stay right there.

[The prepared statement of Ms. Pines follows:]

TESTIMONY OF:
MARION PINES
SENIOR FELLOW
JOHN HOPKINS UNIVERSITY
INSTITUTE FOR POLICY STUDIES
CHAIR, JTPA ADVISORY COMMITTEE

FULL TESTIMONY IS HUMAN CAPITAL REPORT

MAJOR TALKING POINTS AT 5/10/89 JTPA HEARING

1. JUSTIFICATION FOR TIGHTER TARGETING ON BASIC SKILLS DEFICITS

   - CHANGING NEEDS OF WORKPLACE
   - CHANGING NATURE OF WORKFORCE
   - NEED TO REACH OUT AND ENROLL PEOPLE WHO WITHOUT HELP WON'T MAKE IT

2. IMPLICATIONS OF TIGHTER TARGETING POLICIES

   - CHANGE ALLOCATION FORMULA SO THAT DOLLARS FOLLOW TO PEOPLE TO BE SERVED
   - INDIVIDUALIZE AND INTENSIFY SERVICES TO IMPROVE CHANCES FOR PRODUCTIVITY AND SELF-SUFFICIENCY

. SUBSTANTIALLY RELAX PROGRAM AND COST CONSTRAINTS TO HELP MAXIMIZE EFFECTIVE LOCAL RESPONSE TO SERVING MORE DIFFICULT GROUPS.

E.G. WORK EXPERIENCE LIMITS
STIPENDS/INCENTIVE RESTRICTIONS
15% COST CAPS ON ADMINISTRATIVE AND SUPPORT SERVICES

. CLARIFY OUTCOME EXPECTATIONS

. MEASURE IMPROVED COMPETENCIES, IMPROVED ABILITY TO BE SELF-SUFFICIENT (WAGE RATES) AND LONG TERM ATTACHMENT TO WORKFORCE

3. INCREASED FOCUS ON YEAR-ROUND YOUTH PROGRAMMING

A. NEED FOR ACTIVITIES TO PREVENT SCHOOL DROPOUT - AS WELL AS REMEDIATION ACTIVITIES AFTER DROPOUT

B. REQUIRED YEAR-ROUND - RATHER THAN SUMMER STAND-ALONE ACTIVITIES

C. SPEAKS TO FULL COLLABORATION WITH SCHOOL SYSTEM COUPLED WITH WITH PRESSURE FOR INSTITUTIONAL CHANGES

D. REQUIRES AGGRESSIVE OUTREACH ACTIVITIES FOR "FORGOTTEN HALF" - OUT OF SCHOOL KIDS

4. STRUCTURAL CHANGES

. 85% OF DOLLARS TO SDA'S

- 15% OF ADULT AND YOUTH TITLE DOLLARS TO BE RETAINED AT STATE FOR MANAGEMENT, R & D, CAPACITY BUILDING AND INCENTIVES WITH NO SET-ASIDES FOR TARGET GROUPS OR OTHER SYSTEMS

- NEED STATE COUNCIL TO BECOME INTERAGENCY COLLABORATIVE BODY TO BETTER INTEGRATE PROGRAMS AND POLICIES WITH OTHER HUMAN RESOURCE PROGRAMS. NO STAND-ALONE HUMAN INVESTMENT SYSTEM

5. GREATER COMMITMENT TO RESEARCH/DEVELOPMENT DISSEMINATION AND REPLICATION ACTIVITIES

6. GREATER COMMITMENT TO CAPACITY BUILDING THROUGHOUT THE SYSTEMS

7. MULTI-YEAR FUNDING FOR STABILITY, BETTER PROGRAMMING AND STRATEGIC PLANNING

Senator Simon. Let me call on my colleague from New Jersey, who is not only a valued member of the United States Senate for what he brings in a variety of fields, transportation and other fields, but prior to being in the United States Senate was chief executive officer of one of America's major corporations. So he brings insight from the business end of things into this field.

I am very pleased to have our colleague, Senator Lautenberg, here.

STATEMENT OF HON. FRANK LAUTENBERG, A U.S. SENATOR FROM THE STATE OF NEW JERSEY

Senator Lautenberg. Thank you very much, Mr. Chairman.

Senator Simon and I work on many things of common interest together, particularly when we invest in the young people of our country. We see it as a very important segment of the infrastructure that often doesn't get very much attention.

And coming from the State that I do, where—just before my formal testimony, Mr. Chairman—it has a unique character, we now probably are number one in per capita income in the United States, and we have three of America's poorest cities in our midst. Newark is the number one poverty-stricken, over 100,000. Camden, New Jersey, under 100,000, is the most poverty-stricken. And my birthplace, Paterson, New Jersey, is number five on the list. So here we have this disparity of people with high incomes, very low unemployment, lots of people looking for jobs.

So, Mr. Chairman, I commend you for your leadership on all matters of this type, investing in youth, your education interest, and of course the very distinguished panel to whom I apologize for interrupting their testimony.

I thank you for permitting me to testify from here and as well for breaking in.

As cosponsor of your bill, S. 543, I want to commend you once again for the thoughtful proposal to amend—your amendment, I'm sorry, not bill—the JTPA. One might ask what a Senator from a State with one of the lowest unemployment rates, the last announcement was 4 percent; a month earlier it was 3 percent. That is an ominous sign. But we were as low as 3 percent.

Let me tell you, the Job Training Partnership Act is a vital resource for the State, not in spite of our low unemployment but in some respects because of it. In our case, those low unemployment rates mean employers cannot find qualified workers, and many of those firms are looking to the public sector to help them prepare and hire qualified work forces.

At the same time, there are still thousands of disadvantaged individuals who want training, who want jobs, who want good jobs. That is why the changes in the JTPA funding proposed in S. 543 are so important. A State's disadvantaged population would count as much as its unemployment rate in setting JTPA funding levels.

But, Mr. Chairman, we need to go further. We face the prospect of severe and growing labor shortages in this country, and we are doing too little to track those shortage and to respond to them. I think a good place to start may be S. 741. That is my labor shortage reduction bill, and I noticed that in Ms. Pines's testimony there is a similarity, a striking similarity, of brilliant ideas, that my labor shortage reduction bill. I would ask you to consider this bill in conjunction with the JTPA reauthorization.

How serious is the shortage of trained labor in my State last year? Eighty percent of all of the businesses had difficulty locating skilled labor; 55 percent couldn't locate clerical help; and almost 50 percent couldn't even find unskilled labor.

But New Jersey is not unique. According to a survey of the Nation's personnel administrators, two-thirds of all businesses are having problems locating technical help. Their association, the American Society for Personnel Administration has endorsed my bill, S. 741, because they know that without such action the problem is going to get worse.

In New Jersey both the AFL-CIO and the Chamber of Commerce, a strange combination, have endorsed the bill. The fact is that we are a victim of our Nation's own economic success. These shortages result from seven years of economic recovery, but they are also a product of demographic trends that have fashioned a work force that is slow-growing, older. And more disadvantaged and rapidly advancing technology is making many workers' skills obsolete.

Now, I know that funding for the JTPA is not enough. The program doesn't serve 5 percent of the eligible audience. And I support your call for challenge grants to find new and better ways of serving low-income youth.

But when these people get into the labor market, where should they be headed? Although we have shelves of reports on the U.S. labor market, there is no Government program to identify and describe the national labor shortages. How do you reduce a labor shortage if you don't know the occupations and the skills involved?

In fact, even if we knew the occupations and skills involved, there is no mechanism to plan or coordinate labor shortage reduction.

That is why I think it's so important that we begin to address this problem now before shortages boost inflation, impair productivity, slow economic growth, and reduce U.S. competitiveness.

I am proposing that the Department of Labor take several steps: first, to publish a list annually of national labor shortages; secondly, to develop an annual plan to reduce those shortages identified through such measures as education and training, counseling and testing, recruitment, scholarships, curriculum development, and job redesign; and the third is to conduct research to continually improve the accuracy of labor shortage identification and seek ways to spot those shortages at the regional, State and local levels.

Now, these steps may sound like they are unrelated to the usual JTPA concerns, but there is a vital link. When we document an occupational shortage or describe a skills gap, we provide even greater justification to utilize our surplus labor, to educate and train the unemployed to fill vacant jobs. And we identify occupations and skills for which JTPA training is most likely to result in long-term placements.

So reducing America's labor shortage can also mean reducing the unemployed and boosting the JTPA payoff.

Before I close, one further request, and that is that we provide a national source of high-quality instruction for employers training and vocational educational practitioners. In S. 742 I propose the formation of an employment education institute to promote the professionalism of employment, training, and vocational education staffs. I hope you will consider this also as part of the JTPA reauthorization.

The institute has been endorsed by the Interstate Conference of Employment Security Agencies, the association that represents many of the State workers seeking professional development. And it represents a positive response to the call for increased training and technical assistance made by the Job Training Partnership Act advisory committee and the National Governors' Association.

Mr. Chairman, as you well know, our Nation's economic competitors are getting tougher and tougher. We need a training system that looks ahead, tries to avoid the bottlenecks and assures that America has the workers ready to take on the challenges of the future. And I stand ready to work with you toward that end.

Once again, I thank you for this opportunity to participate with you as you design this legislation.

Senator SIMON. I thank you very much.

[The prepared statement of Senator Lautenberg follows:]

STATEMENT BY SENATOR FRANK R. LAUTENBERG
BEFORE THE COMMITTEE ON LABOR AND HUMAN RESOURCES
SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY
HEARING ON THE JOB TRAINING PARTNERSHIP ACT
MAY 11, 1989

Mr. Chairman, thank you.

As a cosponsor of S. 543, I want to applaud you for your thoughtful proposal to amend the Job Training Partnership Act (JTPA).

One might ask, what a Senator from a State with one of the lowest unemployment rates in the Nation is doing here today. Let me tell you, the Job Training Partnership Act is a vital resource for New Jersey, not in spite of our low unemployment, but in some respects because of it. In our case, those low unemployment rates mean employers who cannot find qualified workers. And many of those firms are looking to the public sector to help them prepare and hire a qualified workforce.

At the same time, there are still thousands of disadvantaged individuals who want training and good jobs. That's why the changes in JTPA funding proposed in S. 543 are so important. A state's disadvantaged population would count as much as its unemployment rate in setting JTPA funding levels.

BUT, MR. CHAIRMAN, WE NEED TO GO FURTHER. WE FACE THE PROSPECT OF SEVERE AND GROWING LABOR SHORTAGES IN THIS COUNTRY. AND WE ARE DOING TOO LITTLE TO TRACK THOSE SHORTAGES, AND TO RESPOND TO THEM. I THINK A GOOD PLACE TO START MAY BE S.741, MY LABOR SHORTAGE REDUCTION BILL, AND I WOULD ASK YOU TO CONSIDER THIS BILL IN CONJUNCTION WITH JTPA REAUTHORIZATION.

HOW SERIOUS IS THE SHORTAGE OF TRAINED LABOR IN MY STATE? LAST YEAR 80 PERCENT OF ALL BUSINESSES HAD DIFFICULTY LOCATING SKILLED LABOR; 55 PERCENT COULDN'T LOCATE CLERICAL HELP; AND ALMOST 50 PERCENT COULDN'T FIND UNSKILLED LABOR.

BUT, NEW JERSEY IS NOT UNIQUE. ACCORDING TO A SURVEY OF THE NATION'S PERSONNEL ADMINISTRATORS, TWO-THIRDS OF ALL BUSINESSES ARE HAVING PROBLEMS LOCATING TECHNICAL HELP. THEIR ASSOCIATION, THE AMERICAN SOCIETY FOR PERSONNEL ADMINISTRATION, HAS ENDORSED S. 741 BECAUSE THEY KNOW THAT WITHOUT SUCH ACTION, THE PROBLEM'S GOING TO GET WORSE. IN MY STATE, BOTH THE AFL-CIO AND THE CHAMBER OF COMMERCE HAVE ENDORSED THE BILL.

THE FACT IS, WE'RE A VICTIM OF OUR NATION'S OWN ECONOMIC SUCCESS. THESE SHORTAGES RESULT FROM SEVEN YEARS OF ECONOMIC RECOVERY. BUT THEY ARE ALSO A PRODUCT OF DEMOGRAPHIC TRENDS THAT HAVE FASHIONED A WORKFORCE THAT IS SLOW-GROWING, OLDER, AND MORE DISADVANTAGED. AND RAPIDLY ADVANCING TECHNOLOGY IS MAKING MANY WORKERS' SKILLS OBSOLETE.

NOW, I KNOW THAT THE FUNDING FOR JTPA ISN'T ENOUGH; THE PROGRAM DOESN'T SERVE 5 PERCENT OF THE ELIGIBLE AUDIENCE. AND I SUPPORT YOUR CALL FOR "CHALLENGE GRANTS" TO FIND NEW AND BETTER WAYS OF SERVING LOW-INCOME YOUTH. BUT WHEN THESE PEOPLE GET INTO THE LABOR MARKET, WHERE SHOULD THEY BE HEADED?

ALTHOUGH WE HAVE SHELVES OF REPORTS ON THE U.S. LABOR MARKET, THERE IS NO GOVERNMENT PROGRAM TO IDENTIFY AND DESCRIBE NATIONAL LABOR SHORTAGES. HOW DO YOU REDUCE A LABOR SHORTAGE IF YOU DON'T KNOW THE OCCUPATIONS AND SKILLS INVOLVED? IN FACT, EVEN IF WE KNEW THE OCCUPATIONS AND SKILLS INVOLVED, THERE IS NO MECHANISM TO PLAN AND COORDINATE LABOR SHORTAGE REDUCTION.

THAT'S WHY I THINK IT IS SO IMPORTANT THAT WE BEGIN TO ADDRESS THIS PROBLEM NOW, BEFORE SHORTAGES BOOST INFLATION, IMPAIR PRODUCTIVITY, SLOW ECONOMIC GROWTH, AND REDUCE U.S. COMPETITIVENESS.

I AM PROPOSING THAT THE DEPARTMENT OF LABOR TAKE SEVERAL IMPORTANT STEPS:

o FIRST, PUBLISH AN ANNUAL LIST OF NATIONAL LABOR SHORTAGES.

o SECOND, DEVELOP AN ANNUAL PLAN TO REDUCE SHORTAGES IDENTIFIED, THROUGH SUCH MEASURES AS EDUCATION AND TRAINING, COUNSELING AND TESTING, RECRUITMENT, SCHOLARSHIPS, CURRICULUM DEVELOPMENT, AND JOB REDESIGN.

o AND THIRD, CONDUCT RESEARCH TO CONTINUALLY IMPROVE THE ACCURACY OF LABOR SHORTAGE IDENTIFICATION AND SEEK WAYS TO SPOT SHORTAGES AT THE REGIONAL, STATE, AND LOCAL LEVELS.

NOW THESE STEPS MAY SOUND LIKE THEY ARE UNRELATED TO THE USUAL JTPA CONCERNS. BUT THERE IS A VITAL LINK. WHEN WE DOCUMENT AN OCCUPATIONAL SHORTAGE, OR DESCRIBE A SKILLS GAP, WE PROVIDE EVEN GREATER JUSTIFICATION TO UTILIZE OUR SURPLUS LABOR... TO EDUCATE AND TRAIN THE UNEMPLOYED TO FILL VACANT JOBS.

AND WE IDENTIFY OCCUPATIONS AND SKILLS FOR WHICH JTPA TRAINING IS MOST LIKELY TO RESULT IN LONG-TERM PLACEMENTS. AND SO REDUCING AMERICA'S LABOR SHORTAGE CAN ALSO MEAN REDUCING THE UNEMPLOYED, AND BOOSTING THE JTPA PAY-OFF.

BEFORE I CLOSE, LET ME MAKE ONE FURTHER REQUEST -- THAT WE PROVIDE A NATIONAL SOURCE OF HIGH QUALITY INSTRUCTION FOR EMPLOYMENT, TRAINING, AND VOCATIONAL EDUCATION PRACTITIONERS. IN S. 742, I PROPOSE THE FORMATION OF AN EMPLOYMENT EDUCATION INSTITUTE, TO PROMOTE THE PROFESSIONALISM OF EMPLOYMENT, TRAINING, AND VOCATIONAL EDUCATION STAFF. I HOPE YOU WILL CONSIDER THIS TOO AS A PART OF JTPA REAUTHORIZATION.

THE INSTITUTE HAS BEEN ENDORSED BY THE INTERSTATE CONFERENCE OF EMPLOYMENT SECURITY AGENCIES, THE ASSOCIATION THAT REPRESENTS MANY OF THE STATE WORKERS SEEKING PROFESSIONAL DEVELOPMENT. AND IT REPRESENTS A POSITIVE RESPONSE TO THE CALL FOR INCREASED TRAINING AND TECHNICAL ASSISTANCE MADE BY THE THE JOB TRAINING PARTNERSHIP ADVISORY COMMITTEE AND THE NATIONAL GOVERNOR'S ASSOCIATION.

Mr. Chairman, as you well know, our Nation's economic competitors are getting tougher and tougher. We need a training system that looks ahead, avoids bottlenecks, and assures that America has the workers ready to take on the challenges of the future. I stand ready to work with you toward that end.

Thank you.

Senator **Simon**. On page four, where you list the three steps, that is describing the first bill that you mentioned; is that correct?

Senator **Lautenberg**. Exactly. Exactly.

Senator **Simon**. All right. And if I may ask the inevitable question on both bills, what kind of cost factors are we talking about?

Senator **Lautenberg**. We are talking about fairly modest sums. I think in one of these—and I will be happy to supply the figures for the record—I think we are talking about $2.5 million the first year and just $0.5 million each year after.

Senator **Simon**. And on the second bill, S. 742, you can supply that for the record.

Senator **Lautenberg**. We are talking about relatively small sums.

Senator **Simon**. Small sums. All right.

Well, we thank you very, very much for your testimony.

Senator **Lautenberg**. Thank you very much.

Senator **Simon**. And thank you, more than that, for your leadership.

Senator **Lautenberg**. Thank you, Mr. Chairman.

Senator **Simon**. Now we will return to our panel and I will call on an Illinois citizen here, Ann Abel.

We are very happy to have you here, Ms. Abel, the most important member of the panel by far. [Laughter.]

Ms. **Abel**. Yes, Mr. Chairman. I want to thank you for the opportunity to testify to the Subcommittee on Employment and Productivity on Senate bill 543, your youth employment amendments to the Job Training Partnership Act.

I especially appreciate representing the great State of Illinois here today and bring greetings from your constituents in Illinois. Thank you again.

I am here on behalf of the Danville Area Community College, the Vermilion County Private Industry Council, and the Vermilion County Board in Illinois, and as a member of the National JTPA advisory committee.

As a local JTPA community college administrator and a PIC director, I have closely followed the development of your proposed amendments over the past several months. We appreciate your continued guidance and support for the job training and education community. And we accept your challenge to improve our efforts in the education and job training of the Nation's work force.

As chair of the Who Should Be Served Subcommittee of the advisory committee, I can assure you that we strongly support the direction you have taken in S. 543. You have been most accessible and responsive to the public's concerns regarding the draft proposals, and we especially appreciate your consideration of the important views of the established Private Industry Councils.

The crisis in economic and human development in the United States has already been well documented. Today's environment clearly requires a new level of cooperation, real collaboration, in fact, within the JTPA system itself and with the other human resource development partners, particularly education, welfare, the job training system outside of JTPA. And the advisory committee has thoroughly addressed the whole systems integration issue which Marion spoke to before.

I believe in Illinois we have some experience which may be unique and tested over a 5-year period of time in some of the JTPA policy and program areas that your bill addresses. And skipping over some of the demographic information, I would like to at least highlight that Vermilion County is in east central Illinois. It is a county of about 90,000 people. It was very hard-hit by the recession early this decade and is making a strong comeback. But it is a classic manufacturing economy in transition. So we face the things that the Midwest as a whole has faced. We are not a metropolitan SDA but we are also not a rural SDA. And our county is made up of a heavy manufacturing economy with a rich agricultural area also.

The SDA structure in our area is somewhat unusual, as Governor Thompson designated Vermilion County as a separate JTPA service delivery area five years ago as a special demonstration in Illinois. This was based on our being a separate labor market area having a very high unemployment rate and having a very different economy than the contiguous counties.

Danville Area Community College was selected as the grant recipient and administrative entity by the 27-member Vermilion County Board as well as the Private Industry Council at that time, and since then has operated a comprehensive job training system for the service delivery area which includes Title II(A), Title II(B), Title III, the Older Worker program, and the JTPA 8 percent education grants.

In accepting this responsibility, the college expanded its mission to include the training, retraining, and job placement of eligible jobless workers in Vermilion County. JTPA enabled the college to provide training and services to a large group of residents previously not served by the college, in very nontraditional programs that includes nearly every other education agency in the county as well as all the major community-based organizations and the housing authority in the city.

We have highlighted several things in our written report regarding performance, but we were recently recognized by the Illinois Department of Commerce and Community Affairs as having the number one of 26 performance record in Illinois through the first five years in the State on a composite kind of rating they provide to the State. So without going into detail, we are very pleased with the performance in not only the criteria that are measured by the Department of Labor's standards, but some additional ones.

Currently, our Title II(A) participants are in training for an average of 44 weeks as compared to the national average of 17.7. Our Title III people are in long-term training also. So we have attempted to run a real training program from the beginning.

We think some of our special experience in testing all JTPA applicants over the last five years consistently and the experience of developing a collaborative system may contribute in reinforcing some of the things that you have proposed.

Is my light on? My time is over? Okay. I want to decide what I have time left to say.

Turning to the work of the advisory committee during the past several months the advisory committee, under the leadership of Marion Pines conducted, of course, intensive review of the job training partnership system. The review resulted in our report, "Working Capital: JTPA Investments." And we are most pleased with Secretary of Labor Dole's embracing of this report in the administration's planning for the '90's.

Twenty-eight of the recommendations were made to refine and redirect the well-established JTPA system. Over half of those came from the direct contribution of the "Who Should Be Served" issues, the targeting, the allocation formula, performance standards that you have addressed also in your bill.

From this perspective, we want to submit the following specific comment on your proposed amendments.

Is that now my light? Okay. I am trying to be very sensitive to the time.

Senator SIMON. You have another 30 seconds.

Ms. ABEL. Okay. Our local Private Industry Council and the advisory committee strongly support your direction to clearer targeting of economically disadvantaged and skills-deficient clients. We approve of the allocation formula for both adult and youth programs which will more closely follow the eligible population.

We know that, in Illinois, that in some areas this will reduce funding to youth programs. And I have seen a recent comparison. But it may increase funding to the Title II(A) programs in the very same area.

So I think in the spirit of collaboration, we have to be willing to let those funds go to where there are the largest number of youth who are in need and we may have to take a small cut in some other areas. But we understand that. We acknowledge that, and we trust that your support for additional funding will help all of us in those areas.

We do recommend testing and assessment of all eligible JTPA applicants with the enrollment of the economically disadvantaged and skills-deficient. We do approve of your suggested increase of the eligible window to 15 percent. Locally, we approve that. The advisory committee didn't recommend that.

And there are several other comments here that specifically address your proposals, but we do heartily approve the direction you are taking and hope to give you as well as the House and the administration's proposal our full support. Thank you.

Senator SIMON. Thank you very, very much.

[The prepared statement of Ms. Abel follows:]

DACC
Danville Area Community College
Job Training Partnership

TESTIMONY

SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY

COMMITTEE ON LABOR AND HUMAN RESOURCES
UNITED STATES SENATE
SENATOR PAUL SIMON, CHAIR

May 11, 1989

Ann Abel, Director
Vermilion County Job Training Partnership
Danville Area Community College
Danville, Illinois

DACC
Danville Area Community College
Job Training Partnership

TESTIMONY

SENATE SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY

Ann Abel, Director
Vermilion County Job Training Partnership
Danville Area Community College
May 11, 1989

Mr. Chairman, I want to thank you for the opportunity to testify to the Subcommittee on Employment and Productivity on S.543, your Youth Employment Amendments to the Job Training Partnership Act. I am here on behalf of Danville Area Community College, the Vermilion County Private Industry Council, and the Vermilion County Board - Illinois, and as a member of the national JTPA Advisory Committee to the Department of Labor.

As a local JTPA/Community College administrator and PIC Director, I have closely followed the development of your proposed amendments over the past several months. We appreciate your continued guidance and support for the job training and education community, and we accept your challenge to improve our efforts in the education and job training of the nation's workforce.

As the chair of the 'Who Should Be Served' subcommittee of the Advisory Committee, I can assure you that we strongly support the direction you have taken in S.543. You have been most accessible and responsive to the public's concerns regarding the draft proposals. We especially appreciate your consideration of the important views of the established Private Industry Councils.

The crisis in economic and human development in the United States has already been well documented. Fewer people entering the work force because of declining birth rates; a serious school dropout rate; an older work force that needs retraining to new technology; a growing minority population suffering disproportionate levels of poverty and unemployment; severe literacy and basic skills deficiencies within at least 25% of the population - higher for new entrants - together creating a skills gap which threatens our nation's ability to build and maintain an internationally competitive workforce. This 'skills gap' includes both basic education and occupational skills deficiencies, and workplace-job readiness skills deficiencies. Your proposed JTPA Youth Amendments clearly begin to address these problems.

The following background and summary information on the Vermilion County Job Training Partnership/Danville Area Community College describes local demographics, service delivery area structure, and program performance. I believe we have some experience which may be unique, and tested over a five year period of time, in several of the JTPA policy and program areas that your bill addresses.

ENVIRONMENT

Conditions in Vermilion County make it a microcosm of Illinois and the midwest during the recession and the slow recovery of the 80's. Since 1979 the county has suffered both double digit unemployment and high poverty levels. Located in east central Illinois, the county has a population of 90,000, which has declined by 5,000 in the past ten years. Danville is the population and employment center, with 40,000 residents. Geographically the county is large, and outside of Danville, a rich agricultural area. The local economy is a classic manufacturing economy in transition. Ten years ago there were 13,500 manufacturing jobs in the county, which dropped to 9,000 - and most will not return. The major employment has been in heavy industry, and while industry has stabilized, many new jobs are in lower paying service and technical fields. The minority population in Danville is 20%, with a disproportionate share of minorities unemployed. Youth unemployment is still high. Although opportunities are increasing, many disadvantaged youth now do not aspire to work - they haven't grown up expecting jobs would be there. The school dropout rate is 27% in the county, and about 20% of the population receive some kind of public assistance. The number of female heads of household and teen parents is high and increasing. The unemployment rate is currently 10% - down from 23% five years ago, but still well above the state and national average.

SDA STRUCTURE

With the implementation of JTPA in 1983, Governor Thompson designated Vermilion County a separate JTPA service delivery area, making special exception to the JTPA guidelines requiring a minimum 200,000 population for an SDA. This designation was based on a strong application from this county, which identified it as a separate labor market area, with significant economic differences from the contiguous counties - i.e. - unemployment rate, manufacturing based economy, higher minority population. The county and city government, Danville Area Community College, Chamber of Commerce, Economic Development Corporation, Labor Management Council, and numerous public agencies made a joint request to the state to permit the new job training program to be planned and administered locally as a part of the economic recovery effort, and to meet the training needs of Vermilion County residents and employers.

Danville Area Community College was unanimously selected in 1983 by the 27 member Vermilion County Board and the Vermilion County Private Industry Council to be the grant recipient, administrative agency and planning entity for all JTPA programs in Vermilion County. Under the direction of the PIC, DACC/JTP has operated a comprehensive job training system for over five years - the Title IIA, Title IIB Summer Youth, Title III Dislocated Worker, Title IB-O Older Worker, and the JTPA 8% grants.

In accepting the responsibility for the Job Training Partnership, Danville Area Community College expanded its mission to include the training, retraining and job placement of eligible jobless workers in Vermilion County. JTPA enabled DACC to provide training and services to a large group of residents previously not served by the College, is very non-traditional programs. Together, DACC and the JTP subcontractors have coordinated all the resources in Vermilion County, under the Partnership umbrella, to establish a county wide job training system to identify and train the eligible population.

A primary goal for the college in implementing JTPA in Vermilion County was to strengthen area economic development/job creation efforts. The College has been a leader in the economic recovery and economic development effort for several years. The Partnership contributes to the economic development of the county by providing trained workers to meet local occupational demand and the specific needs of local businesses.

PERFORMANCE

- With a JTPA budget of just under $2,000,000 this year, we will enroll and provide direct services to over 1500 persons in all titles in Vermilion County.

- Through the first six years of operation (June 30, 1989) local expenditure levels will average over 90% for all titles.

- All seven IIA performance standards met or exceeded all six years, with all seven exceeded three of the six years by over 15%. Recently recognized by the IDCCA as #1 of 26 SDA's in Illinois in overall JTPA Title IIA performance through June 30, 1988 (first five years).

- Average length of enrollment in IIA is 44 weeks compared to national average of 17.7 weeks.

- Over 60% of IIA enrollees are women; 45% public aid recipients.

- At $5.71 per hour, IIA average wage at placement was $1.00 above national standard last year, with an entered employment of 70%.

- All four new post-program follow-up standards are exceeded for this year.

- Dislocated Worker Program last year had a 90% placement rate and $8.00 per hour AWAP was highest in state.

- Service to minorities and handicapped has been well above incidence in the population.

- Received Presidential Summer Youth Jobs Award, 1985, President Reagan.

- Three years ago began pre-testing and post-testing all youth in summer programs, with required participation in a basic education skills program along with summer jobs.

- Although 20+ projects per year are contracted outside the college, no fixed unit price contracts - by direction of the PIC. All contracts are cost reimbursement, with performance goals written into the plans, made a part of the contracts, and monitored by SDA.

- Have done wide range testing and assessment of all JTPA eligible applicants since implementation in 1983. Although 60% of adults enrolled are high school graduates, they are not a cross-section. Over 40% read at 7th grade level or below; over 50% have math scores at 7th grade level or below. JTPA participants are long term unemployed or jobless who not only have little work history and few vocational skills, but also poor basic education and job readiness skills.

There are three main systems approaches that have contributed to our effectiveness; these support some of the conclusions/ recommendations of the JTPA Advisory Committee:

(a) Consistent testing and assessment are essential for developing individual training plans, to insure enrollment in appropriate education and training sequences, and for effective case management. Tests cannot be used to test people out of the JTPA program. Case management, supportive services and follow-up are also critical to the retention and success of JTPA clients in long term training.

(b) Joint planning, funding, service delivery between JTPA and other educational systems in place for five years at the college - adult basic ed, Business Development Center, technology, health occupations, business, financial aid, student services; Area Vocational Center - special needs -

dropout prevention (Carl Perkins); area high schools - special needs-dropout prevention programs; regional school for handicapped - pre-employment and work experience programs. The education coordination works along with other local targeted JPTA programs, for special populations - youth and adults, delivered by several community based organizations and the Danville Housing Authority.

(c) A clear identity of the Job Training Partnership system has been established with the public - clients and employers. Employers and clients know what to expect from the system and know where/who we are. Centralized client and employer services delivered from DACC/JTP, with the college, several other schools and agencies providing services and training as a part of county-wide systems.

JTPA ADVISORY COMMITTEE

Turning to the work of the JTPA Advisory Committee. During the past several months, the Advisory Committee, under the leadership of Marion Pines, conducted an intensive review of the Job Training Partnership system. This review resulted in our report published in March 'Working Capital, JTPA Investments for the 1990's.' We are most pleased that Secretary of Labor Elizabeth Dole has embraced this report in the administration's planning for the 90's. Twenty-eight recommendations were made to refine and redirect the well-established JTPA system into the next decade. From the beginning in 1983, we believe that the new job training system did a commendable job at quickly getting the results Congress asked for - putting people back to work during a time of high unemployment. We believe that today's economic and social conditions require further targeting and more precise outcomes - with limited federal dollars.

From the above perspective, I would like to submit the following specific comment on the proposed JTPA Youth Employment Amendments of 1989:

- Our local Private Industry Council and the Advisory Committee strongly support your direction to clearer targeting of economically disadvantaged and skills deficient clients. We approve of the allocation formulae for both adult and youth programs which more closely follow the eligible population.

- We recommend testing and assessment of all eligible JTPA applicants, with enrollment of the economically disadvantaged and skills-deficient.

- Locally, we approve the suggested increase of the eligibiity window to 15%, in order to more directly target skills deficient youth who are school dropouts, potential dropouts or otherwise at-risk.

- We agree with the proposal to separate youth and adult titles; continuous year round service is necessary for real intervention with many youth. Short term summer programming can be retained when appropriate.

- Although our local 30-member PIC meets the percentage criteria you have suggested in the proposed amendments, we believe mandating percentages beyond the established requirements in the Act may be excessive for many PIC's. In some states the governor has mandated membership requirements beyond those in the original Act. To meet all of the required percentages precisely is too complicated for the patience of many PIC's. We also appreciate your retaining the requirement for the PIC Chair to be from the business sector. The support for JTPA from the local business sector is critical to our success, and we believe the role of elected officials provides a strong balance of public sector power.

- Strengthening cooperation with the education system at every level is essential to increasing appropriate education and training services to low skilled, disadvantaged persons. We support legislative proposals requiring real collaboration as proposed with the Challenge Grants. Additionally, we encourage the reduction or elimination of the special set-asides (i.e. 8% and 3%) as we believe they do not consistently assure joint planning, funding and service delivery on behalf of disadvantaged persons. With genuine collaboration, the education system stands to gain access to increased JTPA funds, and unskilled, jobless youth stand to gain the skills that will enable them to become productive and self sufficient members of the workforce.

- We agree that the performance standards need to be adjusted to emphasize the need to improve basic skills and to retain workers in long term employment, and we appreciate your attention to the need for increased funding. Our nation must be willing to make the increased investment in our human resource systems, if we are to maintain, or increase, participation and success in education and training for employment.

- One section of the law that warrants revision, but has not been addressed in your amendments, are the cost caps on administration, support services, and training. The JTPA system has established a six year record of positive, measurable outcomes. By tightening enrollment requirements and maintaining high outcome measures, some relaxation of the 15% administrative, 15% supportive services, and 70% training caps can be justified. We would recommend increasing to 20% the limit for management costs, and 80% of the funds used for combined training and services costs.

Vermilion County, a small JTPA Service Delivery Area in Illinois, would like to assure you that with local planning and cooperation among business and labor, community based organizations, educational institutions, and other public agencies - a cost effective job training system, attaining consistently high outcomes with 'most in need' clients, does work. JTPA has made a difference in turning the economy around, and at the same time, can also train and retrain a substantial number of displaced and low income, unskilled persons - for good jobs with good wages. Throughout the country, all of us must continue to work together in the development of our nation's most precious resource - our people.

Senator Simon and Committee members, thank you again for the opportunity to participate in the subcommittee's hearings on S.543 - the JTPA Youth Employment Amendments of 1989.

Senator SIMON. Perry Gaines, who has already been introduced by my colleague from South Carolina.

STATEMENT OF PERRY GAINES

Mr. GAINES. It was quite an introduction, I guess.

It is a pleasure for me to be here this morning, Mr. Chairman. Actually, I am representing three groups this morning, first of all, as the Chair of the South Carolina State Job Training Coordinating Council, and as chairman of the National Association of State Job Training Coordinating Council Chairs, along with the National Advisory JTPA Committee.

As a State council Chair and a former Private Industry Council Chair, I continue to be concerned with the moves from every angle to delete the private sector involvement in the JTPA process. I share the opinion with many of my fellow private sector volunteers that a deletion of private sector involvement will eliminate the private business interest and cooperation.

I would like to take just a second and thank you for removing from your original proposal the section that dealt with the Private Industry Council Chair not being from the private sector. We think that is a good move.

The State Chairs Association asks that you reconsider the elimination of the National Commission for Employment Policy and strengthen their role and place in our system to enable our overall objective of a job for every American.

One of the principal conclusions of the JTPA advisory committee was the need to create stronger linkages between JTPA and other human resources programs. Our report argues forcefully that we need to build an integrated human service delivery system at the State and local levels.

At the State level, we concluded that the State job training coordinating councils are the logical building blocks for developing such an integrated system.

To quote the report from page 33, "At the State level, the State job training coordinating councils should be energized and expanded in scope to promote coherent interagency resource development strategies in keeping with each State's political and institutional context."

From our own experience as Chair of the South Carolina council, I can attest to the council's great potential for bringing to the table the State human resource agencies. We need to build on that foundation.

For that reason, I applaud the action taken by the House Education and Labor Committee and their bill to reauthorize the Perkins Act. As you know, their bill creates new State human investment councils with oversight, coordination, and advisory responsibilities for five Federally funded programs. These are adult education, vocational education, JTPA, vocational rehabilitation, and employment service.

I firmly believe that this is the direction we need to take and urge this committee to give serious consideration to this approach. However, I once again request an increase in the private sector involvement and urge the inclusion of other programs that deal with human resources in the local areas.

For your review I have prepared a recommendation which I have provided to your staff which addresses my views on this, and it is shared by many others along with many of the State council Chairs.

Finally, you will note that in the advisory committee report we did not recommend the use of set-asides as a way to achieve program coordination.

We concluded, for example, that the 8 percent set-asides under JTPA have been largely ineffectual in achieving the coordination of education and job training programs at the local level.

In this period of budget austerity and challenging problems facing all of us in the work place, I—as an employer, as a taxpayer, and as a partner in the jobs system—call upon you and the committee to take a hard look at the inefficiency in the way we deliver our human services in this country and make program integration a high priority in your work on JTPA reauthorization.

Thank you very much, Mr. Chairman.

Senator SIMON. Thank you very, very much.

[Additional proposal of Mr. Gaines follows:]

May 11, 1989
W. Perry Gaines

PROPOSAL

TITLE - STATE HUMAN RESOURCE DEVELOPMENT COORDINATING COUNCIL
(SHRDCC)

REPLACES:

State Job Training Coordinating Councils
State Vocational Education Advisory Councils
State Councils for the Job Service
Adult Education and Rehabilitation Programs
All other state councils involved in Human Resources.

REQUIREMENT: Each state would produce a statewide employment and training and human resource development policy. Minimum guidelines would be provided by representatives of the National Association of Private Industry Councils (NAPIC), the State Job Training Coordinating Council (SJTCC) Chairs Association and the National Alliance of Business (NAB) or a National Advisory Committee to oversee and provide the guidelines.

RESPONSIBILITY: Review all federally funded human resource development programs to include - JTPA, WAGNER-PEYSER, VOC ED, WELFARE/Jobs, Education Grants, HUD funded training programs for veterans and older workers, UI and various federally administrated programs such as the Native American and Migrant Worker training programs.

MEMBERSHIP: 30 members total

50% - Private sector

20% - Organized labor (but not to exceed percent represented in state) and CBO'S.

30% - Education, Welfare, ES, etc.

MISCELLANEOUS: Governor shall appoint all members with one (1) private sector member appointed as chair. The chair shall appoint the Vice-chair and appropriate committees as required.

The Chair and Vice-Chair shall serve at the pleasure of the Governor and will continue to serve one (1) year following a new administration. The remaining members shall serve five (5) year staggered terms.

The Council shall not meet less than four (4) times per year.

Senator **Simon**. Commissioner Lilliam Barrios-Paoli I had the privilege of meeting a few weeks ago in New York.

I am very pleased to have you here.

STATEMENT OF LILLIAM BARRIOS-PAOLI

Ms. **Barrios-Paoli**. Thank you, sir.

I would like to thank you for the opportunity to testify here today. Today's New York Times editorial page asks whether JTPA should be tilted towards the hardest-to-serve, suggesting that the answer should be no because they are too hard to serve, they are dropouts and they have extensive need for remediation.

While we believe that the JTPA system alone cannot solve all of society's problems, we do believe that it can and should be used to enable the neediest to become integrated into the mainstream of our society. In fact, in New York City we have begun to do that this year. Beginning July 1, the Department of Employment has mandated that its service providers serve the hardest-to-serve; that is, the least job-ready.

In the youth programs 80 percent of the participants must be high school dropouts. The other 20 percent must either read below the eighth-grade level or confront other major barriers to employment.

In the adult programs, 60 percent of the participants must be public assistance recipients or individuals who read below the eighth-grade level or are high school dropouts. The remaining 40 percent must have other barriers to employment.

To be economically disadvantaged cannot any longer be the sole criteria for being served. We have allocated our resources equally between the youth programs and the adult programs for the first time. We have also encouraged longer training periods and combining classroom trainings with other modalities such as on-the-job training or internships. We have mandated counseling, both job and personal, administered through a case management framework. And all participants will be followed up for at least 90 days.

We are training only in occupations that offer work at living wages and a chance for financial and career advancement. This is the key to job retention.

We believe that educational services should be integrated with occupational skills training. We would have mandated it for both youth and adult programs but because the 8 percent funds were limited, we have only required that youth be provided with basic skill instructions in all our programs.

In order to ensure this, we require the full integration of the JTPA 8 percent educational grant with the 78 percent programs. In other words, no 78 percent youth provider could be funded unless they came with an 8 percent provider or had an agreement with an educational agency that would provide those services.

I am happy to tell you that we were able to ensure, with the board of education's cooperation in New York City, that about 90 percent of our youth programs will be served by the board of education, not with 8 percent funds, but pro bono. We had, I think, a rather creative arrangement where out-of-school youth will be dually enrolled in both systems. Basically, this will allow the board to draw down State education monies for the basic skills while we use 78 percent for occupational skills, thus freeing 8 percent funds for other disadvantaged populations such as adults in need of English as a second language teaching.

I think this is an example of the type of program coordination in program design and leveraging of resources which JTPA needs to incorporate and reward. It also points to the need for greater local control over the 8 percent funding.

While we believe that there is a lot of things that can be accomplished even within the present JTPA framework, we welcome the suggested changes which will no doubt enable us to go further. We especially support a separate youth and adult title with separate formulas.

We also strongly support extending summer youth employment programs on a year-round basis, a continuum of services throughout the year. And early intervention is critical if we are to stop youth from dropping out of school.

We are also pleased that the bill proposes a 10 percent set-aside for locally initiated research and demonstration programs. We believe that it is the only way we will find a way to serve the hardest-to-serve, such as foster care kids, homeless families, et cetera.

But even with these enhancements, JTPA's success is still linked to funding levels. New York City has been faced with substantial reductions in our budget over the last two years. In fact, we have lost about 25 percent of our JTPA funding since 1987. This is mainly because of the allocation formula which, as you know, places greater emphasis on unemployment than on economically disadvantaged.

We support a formula which will provide a more equitable distribution of resources that will allow us to reach a greater portion of our most difficult and neediest populations. We believe that our opportunity to break the chain of welfare dependency and hopelessness is now. This generation of disenfranchised young and adult people will not be integrated into our society unless we make some very hard choices.

I applaud the subcommittee for its efforts to restructure the JTPA system to meet this goal. The amendments which this committee will consider over the coming weeks are an excellent starting point in refocusing JTPA.

Thank you again for the opportunity to speak with you today.

Senator SIMON. Thank you very much, Commissioner.

[The prepared statement of Ms. Barrios-Paoli follows:]

TESTIMONY OF

LILLIAN BARRIOS-PAOLI

COMMISSIONER

NEW YORK CITY DEPARTMENT OF EMPLOYMENT

BEFORE THE

U.S. SENATE COMMITTEE ON LABOR AND HUMAN RESOURCES

SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY

WASHINGTON, D.C.

MAY 11, 1989

Good morning. I am Lilliam Barrios-Paoli, Commissioner of the New York City Department of Employment. I would like to thank Senator Simon and the members of the Subcommittee for the opportunity to testify today on S. 543, the Job Training Partnership Act (JTPA) Youth Employment Amendments of 1989.

Several weeks ago, an incident involving a large group of youngsters who brutually attacked a woman in New York's Central Park focused the nation's attention on the results of ignoring the needs of our young people. Without role models, without interesting and challenging alternatives and a hope for a better future, these young people turned their sense of hopelessness to rage. Unless we intervene, this type of incident may be repeated. We have a choice to make. We can invest in our young people now and assist them in becoming assets to the future of this country, or we can pay for them as liabilities in the jails, drug treatment centers and homeless shelters around the country.

What a waste it would be to have these great resources remain idle at a time when they, as productive workers are most needed in the American economy. These are not the only individuals who need our assistance. In New York City, more than 825,000 individuals receive public assistance; 423,000 families receive food stamps; 25,000 persons reside in shelters for the homeless including 2,700 families with children; and it is expected that 35,000 children will be in the city's foster care system by June of this year.

Other large cities across the nation face a similar situation. Moreover, this is occurring at a time of national prosperity, when industry is begging for workers and willing to pay salaries well above the minimum wage; at a time when a growing economy and shrinking labor force are producing labor shortages.

These labor shortages, so vastly different from the generally high unemployment rates which we faced only a few years ago, present us with a unique opportunity to reach those who have traditionally been left behind by the growing and changing economy -- those with limited reading ability, those with no work history or high school diploma, and those from families who for years have been surviving on public assistance. With the proper intervention, these individuals can be given the opportunity to take the first steps towards finding a job and becoming self sufficient.

We believe that a refocused and enhanced Job Training Partnership Act, as recommended in the Senate bill and in the March 1989 report of the JTPA Advisory Committee, can be an effective intervention strategy in bridging the skills gap for this population.

In New York City, using JTPA funds, we have already made changes to focus our services to those with the most severe barriers to employment. We are doing this despite the fact that we have sustained a steady erosion of funding over the last several years. With one in four New Yorkers dropping out of high school, at a time when even a high school diploma will not guarantee access to a career, with drug treatment centers filled to capacity and no more space to build jails, we believe that it is imperative to reach out to our economically and educationally disadvantaged citizens.

The Department of Employment, the JTPA administrative entity for the New York City Service Delivery Area, is the largest federally funded employment and training provider in the nation. Last year the Department provided year-round training and employment services to more than 53,000 youth and adults, representing about four percent of the JTPA eligible population. In addition, last year more than 25,000 young New Yorkers participated in our Summer Youth Employment Program.

Even in a large urban area like New York City with the magnitude of its problems, the size and diversity of its disadvantaged populations, and the complexity of its service delivery system, implementation of many of the proposed changes contained in S. 543 is viable. I would like to highlight New York City's JTPA program strategies which can serve as a model for much of the employment and training system.

This year, the Department of Employment has placed major emphasis on targeting services to the hardest-to-serve, least job-ready populations -- persons who are deficient in reading, math, and communications skills or who have little or no work history. Economic disadvantage is no longer the sole criterion for entry into a training program. We have mandated our service providers to enroll only those who are high school dropouts or high school graduates who read below the eighth-grade level, or those who face other major employment barriers, including public assistance recipients.

In youth programs, for example, 80 percent of participants must be high school dropouts. The other 20 percent must either read below the eighth-grade level or confront other major barriers to employment (such as status as a public assistance recipient, teenage parent, ex-offender, physically or mentally disabled, or long-term unemployed). In adult programs, 60 percent of participants must be public assistance recipients, individuals who read below the eighth-grade level, or high school dropouts. The remaining 40 percent must have other major barriers to employment. Overall, 40 percent of those enrolled in our training programs must be public assistance recipients; or in the case of youth, in foster care. To accomplish these goals, half of our training resources are being allocated for youth programs, and half for adult programs.

By tightening eligibility and targeting the most disadvantaged, the nature of our services is also changing. As recommended in S. 543, we are encouraging longer training periods, and combining classroom training with other modalities, such as on-the-job training or internships, in order to give participants exposure to a broader range of experiences to improve their chances for success in the workplace. We have found that the current average 15 week training period is often inadequate for those with severe skills deficiencies.

We also believe that counseling, both job and personal, administered through a case management framework, is essential to ensure that participants overcome potential obstacles to successful entry into the labor force. In New York City, we are requiring our service providers to design a case management system through which it can follow participants' progress and assure that linkages with local social services, education, and other institutions are assured. This approach will help promote collaboration across systems and prevent duplication of services.

Moreover, we are offering training only in occupations that reflect local skilled labor market demand on the one hand and the needs and abilities of the target populations on the other. For the most part, this will be in four categories; health, building maintenance and repair, clerical and several industry-specific occupations. Our goal is to create a match between disadvantaged groups and those segments of the labor market which offer work at living wages and a chance for financial and career advancement. We believe that this is the key to job retention.

Most important, we are requiring that educational services be integrated with occupational skills training. We all know that our increasingly technical economy requires a different type of worker than those who participated in the labor force of past generations. Today's potential workers, if they are going to find jobs and remain employed, must have the ability not only to perform tasks, but to understand the tasks and to adapt them to changing technologies and work environments. This can only be achieved through an ability to learn and to read. We believe that a basic skills program coordinated with a job training component, as recommended in the bill, is the only way that we can prepare these hardest to serve populations, not just for jobs, but for careers.

In order to increase participants' literacy, and therefore employability, youth participants in our JTPA programs, regardless of the occupational training area will be provided with basic skills instruction -- reading, writing, math and oral communication. This has required full integration of the JTPA "Eight Percent" education grant with the "Seventy-Eight Percent" programs, and the development of alternative cooperative arrangements between Seventy-Eight Percent service providers and educational agencies and programs. Limited Eight Percent funds precluded us from instituting a similar requirement for adult programs. However, adult providers are strongly encouraged to offer these integrated services.

While we have been successful in establishing these linkages, this has been the result of months of innovative planning and consultation. Education agencies often have different agendas, mandates and constituencies, which do not always coincide with those of the SDA. If the JTPA system is to expand services to those most in need, SDAs, the primary providers of employment and training services at the local level, will need greater access to educational resources, particularly the Eight Percent set aside. While state education agencies are needed to develop curricula and certify education providers, it is the SDAs that can best decide on program priorities and resource allocation according to local conditions and needs.

The Department of Employment has developed a mutually beneficial agreement with the New York City Board of Education whereby out-of-school youth are dually enrolled in the Board's alternative education programs and in JTPA skills training programs. This creative arrangement allows the Board to access state education monies for dropouts, rather than using Eight Percent funds. We are then able to reserve limited Eight Percent dollars for other educationally disadvantaged populations. The

Senate bill recogizes the need for local funding flexibility by allowing for a three percent pass-through to SDAs for educational services. I believe that this is essential and, in fact, would hope for a greater pass-through to allow SDAs to enhance education and literacy services.

In these times of budget constraints and limited resources, the need to develop program linkages is vital to the success of our job training efforts. The JTPA system can and must play the role of coordinator of these linkages if it is going to serve those most in need. JTPA providers have neither the funding nor the expertise to serve this needy population alone. However, by combining our funding streams and expertise, and by bringing together those who can provide literacy services or those equipped to counsel the homeless or assist foster care youth or public assistance recipients, we can create cost effective and enriched employment programs. It is this type of coordination in program design and leveraging of resources which JTPA needs to incorporate and reward financially. We would welcome the use of incentive monies for this purpose.

The coordination of resources, as noted in the bill, can also be rewarded through non-cash incentives which enhance program flexibility by increasing the percentage of funds allowed for program supports or relaxing performance standards for targeting the hardest to serve.

The establishment of separate youth and adult titles and funding formulas proposed in the bill also provide for program flexibility. This separation acknowledges the distinct needs of these two populations. By allowing different interventions for adults, and in-school and out-of-school youth and measuring success through different performance standards, SDAs can design programs responsive to the needs of each group. Moreover, both adult and youth populations will now have dedicated funding streams which is critical if we truly wish to invest more fully in our at-risk youth.

To maximize resources as well as provide a continuum of services to young people, we also strongly support the bill's recommendation to extend the Summer Youth Employment Program (SYEP) on a year-round basis. As such, we will have the ability to provide the counseling, remediation and mentoring necessary to provide the best employment service of all -- keeping a teenager in school until he or she receives a diploma. We can do this while exposing the student to responsibilities and skills needed in the workplace.

New York City has already initiated a program to provide a limited number of students who participate in SYEP with year-round services. The Senate bill will help us build on this program and provide the early intervention needed to aid this at-risk population.

We are also pleased that the bill proposes a 10 percent set aside for locally initiated research and demonstration projects. The Department of Employment, through a newly-created demonstration program unit, has been testing and experimenting with program designs and service strategies to assist the city's most disadvantaged including foster care youth, homeless families and young minority males. Our efforts to reach these and other needy populations would be further enhanced through the establishment of a permanent funding stream dedicated for pilot programs.

Even with these enhancements, JTPA's success is still linked to funding levels. New York City has been faced with substantial reductions in our budget over the last two years. In fact, we have lost approximately 25 percent of our JTPA funding since 1987, in part because of the overall reduction in the national allocation, but also due to a distribution formula which, as you know, places greater emphasis on unemployment than on economic disadvantage.

We, therefore, strongly support the youth and adult formulas proposed in S. 543. New York City is acutely aware of the inequity of the current formula which overlooks those most in need. The proposed formula, for both the youth and adult programs as well as the substate formula, will provide a more equitable distribution of resources that will allow us to reach a greater portion of our most difficult and neediest populations. The formula change, along with the overall increase in appropriations will also partially mitigate the effects of the substate hold harmless provision which has exacerbated the inequities of the funding formula by redistributing resources from areas with greater need to less needy areas. For example, although New York City suffered a worsening of economic conditions relative to other substate areas over the past two years, we experienced a greater decrease of funding in order to maintain the funding levels of those SDAs in New York State whose conditions were improving. In addition, the greater proportion of funds which states will be required to pass through to SDAs will provide us with additional resources to bring those outside the labor force into successful and productive jobs.

The JTPA system alone cannot solve all of society's problems. Nor can it replace the nation's education system which must produce well educated, learned individuals who are prepared to enter the workforce when they complete their studies. The JTPA system can, however, be an effective intervention for those whom the economy has left behind by equipping them with the tools necessary for self-sufficiency.

Our opportunity to break the chain of welfare dependency is now. This generation of disenfranchised young people will not be integrated into our society unless we make some hard choices.

There is no reason for a labor shortage to exist while able-bodied individuals remain unemployed. Our job, the job of the JTPA system, is to bring these economically disadvantaged individuals into the labor force and provide them with the opportunity to be fully integrated into our nation's economic and social mainstreams.

I applaud the Subcommittee for its efforts to restructure the JTPA system to meet this goal. The amendments which this committee will consider over the coming weeks are an excellent starting point in refocusing JTPA.

Thank you again for the opportunity to speak with you today.

Senator SIMON. You mentioned in your remarks the new requirement, the Department of Employment. Are you talking about the city or the State there?

Ms. BARRIOS-PAOLI. City.

Senator SIMON. City. And how does that stand in contrast to where you were before, would you say?

Ms. BARRIOS-PAOLI. In terms of all of the demographic population?

Senator SIMON. You are going to be requiring that 80 percent of participants must be high school dropouts. Do you have any guess as to where you were before that requirement came along?

Ms. BARRIOS-PAOLI. Yes, sir. We were serving approximately 60 percent dropouts previously in our youth program. But we were also serving about 55 percent high school graduates overall.

Senator SIMON. And on page 10 of your statement you say, "We have lost approximately 25 percent of our JTPA funding since 1987." Now, part of that has—this is in absolute dollars, I assume?

Ms. BARRIOS-PAOLI. Yes.

Senator SIMON. Is that because of any diminished need, or just the allocations?

Ms. BARRIOS-PAOLI. It's basically the allocation formula. Also, New York City gets particularly hit when the repooling happens when the State itself loses funds. So we basically are affected twice.

Senator SIMON. Then, Mr. Gaines, in your statement you request an increase in the private sector involvement and inclusion of other programs. You are talking about the House bill here now.

Mr. GAINES. Yes, sir.

Senator SIMON. Do you think those other programs should be specified?

Mr. GAINES. Yes, I do.

Senator SIMON. For example, where are you talking about?

Mr. GAINES. Well, if you will look on the last page, which I did not cover—I think it should be in your package there, is it not? Where it says "proposal."

Senator SIMON. Yes, I see the page, but I don't see——

Mr. GAINES. It says all other State councils involved in human resources and the responsibility would be to review all the Federally funded human resource development programs. And I included most of them under that responsibility section.

Senator SIMON. Okay.

Mr. GAINES. Which includes the jobs bill, the welfare.

Senator SIMON. Ms. Abel has mentioned a few things that did not grow out of the commission. You went beyond just for your local JTPA.

Did any of you care to add anything beyond? And I am not suggesting that you differ here now with the recommendations of your commission, but if there are any specific additions that you would like? And I appreciate your doing that. And you have done that, Mr. Gaines, in your report.

Is there anything else specifically any of you want to add?

[No response.]

Senator SIMON. Let me—yes?

Ms. PINES. I think we mention it, I believe, in our report. But I think it's important, as we look as to the incentives that States give to local areas, incentives are extraordinarily important because they tell—a Governor is telling local areas what he thinks is important or the Federal Government is telling Governors what they think is important.

And we felt strongly that begins to steer the system, and we are recommending that those incentives really should be tied to perhaps serving populations more targeted than may be required by law and, secondly, reward that thing called systems collaboration. It is very easy to talk about. The Secretary said today it rolls off the tongue, but it is, believe me, extraordinarily hard to do.

Systems have different languages. They have different styles of working. They are usually suspicious. And it will take an extraordinary amount of work on the part of the Governors to begin to pull those systems together, and in local areas in terms of pulling them together. But we must. It seemed to us that it is imperative to do that now.

No system is adequately funded, and therefore there is just simply no justification for having standalone systems anymore. And so, for example, we were distressed to see that in the House bill that Perry referred to that they mention all the programs except the jobs bill because of course that doesn't come under the House Education and Labor Committee, it comes under the House Ways and Means Committee.

And so again, we're talking about collaboration and cooperation, we need to look at how it is organized within the Congress. But at the local level, at the State level, those systems need to talk to each other even if they don't talk to each other within the Congress.

Senator SIMON. Ms. Abel, one of the things you mention in your statement that I have not seen mentioned in most statements, you have a breakdown of men and women being served there at one point. What is overall, are you serving more women than men? You mentioned II(A) here.

Ms. ABEL. In the Title II(A) programs we are serving more females than males, in particular with the adults because women—and they are single women and their dependent children who are the largest number of poor, and a growing number in our country. So to Title II(A) adults, our service levels right now are about 63 percent women and the balance, of course, men.

But with youth in Title II(A) we also have a higher service level of women, males than females.

In the dislocated worker program, the Title III, it is almost the reverse because the majority of the displaced workers are in fact white males, where the majority of the Title II(A) adults may be black females who are eligible. So we try to track that very carefully and get to the larger percentage of people in the eligible population.

Senator SIMON. I mention this, and I would be interested in the reaction of the others of you, simply because there is no question that a disproportionate number of the poor are women, and yet when I think of JTPA programs I have visited, it seems to me that they have mostly been male-oriented programs.

Now I would be interested in the reaction of the three of you also.

Commissioner?

Ms. **Barrios-Paoli**. Now, in New York City the predominance of women in our programs is also true. And it is minority women. We have a very hard time recruiting minority males. Overall our programs is about 95 percent minorities or 95 percent minorities. But we still have a very hard time recruiting male Hispanics and male blacks, expecially for training programs. Many of them want direct placement services but do not want to engage in training.

Part of it has been the kinds of occupations we have been training for, and we have tried to diversify our portfolio of trainers to see if that would address the issue. But we are still predominantly female as well.

Senator **Simon**. Ms. Pines?

Ms. **Pines**. I think it is going to be extremely important, though, that we do aggressive outreach to get males into the program, particularly if we are going to be concentrating in this country in moving people from welfare to work.

No matter how good a job we do in our training programs, it is going to be very hard for these single women to get an adequate level of earnings to maintain that family in self-sufficiency. Most families in America today have two incomes coming into that family, and yet we are going to be asking our poorest women with young children to be trying to make it alone on $5, $6, if they're lucky $7 an hour. It is just going to very, very difficult to do it. And I am afraid they are going to slip back onto the welfare cycle.

So I think that JTPA could provide some very good integration if we could, with the child support provisions, when they start going after the father for income support, if we could start trying to attract those young men at that point into training so that they could improve their earnings capacity and improve their earnings potential. We have got to go after those young males.

Senator **Simon**. Mr. Gaines?

Mr. **Gaines**. In South Carolina predominantly we are serving the minority female. I share Marion's comments. I think we do need to have some programs to go after the minority male and more of the regular non-minority male.

Senator **Simon**. All right.

We may have some written questions that we will also submit to you. If you could respond to those as rapidly as we can so that we can get that in the record, we would appreciate it.

We thank all of you.

Ms. **Pines**. Thank you very much for asking us here.

Senator **Simon**. Thank you for your testimony and your leadership.

Also we will enter into the record the statement of William J. Gainer, director for education and employment issues of the Human Resources Division of GAO.

[The prepared statement of Mr. Gainer follows:]

United States General Accounting Office

GAO

Testimony

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Senate Bill 543: The Job Training Partnership Act Youth Employment Amendments of 1989

Statement of
William J. Gainer, Director
for Education and Employment Issues
Human Resources Division

Before the
Subcommittee on Employment and Productivity
Committee on Labor and Human Resources
United States Senate

SUMMARY OF GAO TESTIMONY BY WILLIAM J. GAINER ON S. 543: THE JTPA YOUTH EMPLOYMENT AMENDMENTS OF 1989

S. 543 would make changes to both the adult and youth titles of the Job Training Partnership Act (JTPA). Results from previous and ongoing GAO work are relevant to some of the provisions of S. 543 as well as to analogous recommendations made by the Department of Labor's JTPA Advisory Committee. Our testimony highlights five areas of proposed change.

Better Targeting of Resources -- Several provisions of S. 543 would target greater resources and services to those who are hard to serve. While the provisions should contribute to achieving this goal, additional steps are needed, including a clear definition of the term "hard to serve" and the establishment of a performance standard for measuring service to that group. GAO's work also suggests that Congress may want to target services to those with multiple barriers to employment.

Basic Skills Training -- Both S. 543 and the Advisory Committee emphasize basic skills training to JTPA participants. GAO's forthcoming report on JTPA suggests that Congress consider requiring local programs to not only assess the need for such training but insure that it is also made available.

Long Term Training and Placements -- While the long term training emphasized by S. 543 appears desirable, GAO's work shows that length of training alone is not sufficient criteria because some low skill on-the-job training appeared to be too long. GAO suggests the bill be modified to emphasize long-term training in moderate or high skill occupations. This emphasis, coupled with the performance standard proposed by the bill, should contribute to the goal of long-term placements. GAO also believes that the Advisory Committee recommendation to add competencies, in lieu of job placements, as an acceptable outcome measure for adults could be counter-productive to program goals.

Consistent and Reliable Data -- The Advisory Committee recommended that the reliability and consistency of information collected by JTPA be improved and that standard definitions be used for key terms. GAO's work indicates a need for such a provision. GAO also suggests that S. 543 include a provision that certain data needed for program management and oversight be collected and reported.

Increased Support Services -- S. 543 would allow an additional 10 percent to be spent for support services while the JTPA Advisory Committee would permit an almost unlimited use of training funds for support services. GAO believes the current legislation gives service delivery areas sufficient flexibility in this area. Congress should be cautious in increasing funding for support services because JTPA's current successful emphasis on training could be altered.

Mr. Chairman and Members of the Subcommittee:

We are pleased to be here today to assist you in your deliberations on Senate bill 543, the Job Training Partnership Act Youth Employment Amendments of 1989, which would make changes to both the adult and youth titles of the act. My testimony will concentrate on certain provisions of this bill and on analogous recommendations made by the Department of Labor's JTPA Advisory Committee. Specifically, I will discuss proposals relating to (1) targeting JTPA resources to the most economically disadvantaged, (2) increasing emphasis on basic skills training, (3) achieving long term placements, (4) collecting more consistent and reliable program data, and (5) increasing support services for JTPA participants.

The first four proposals deal with issues we have analyzed in our previous work on JTPA. We believe these proposals can be at least partially successful in achieving their intended purposes. However, some of these provisions, such as changing the funding allocation formula, may not be sufficient to achieve the desired result without additional program changes. We would also like to raise a caution with respect to the possible effect that the fifth proposal, increasing funding for support services, could have on the amount of JTPA funds available for training.

The information we are providing today is based primarily on our recently completed study of the title IIA adult program which was requested by the Chairman and Ranking Minority Member, House Committee on Education and Labor. In that study, we used the demographic characteristics and employment experiences of a large sample of JTPA adult participants to construct two significantly different groups--those who were less ready to enter the labor market at the time they were enrolled in the program, who we referred to as the "less job ready," and those who were more ready, referred to as the "more job ready".[1] We analyzed the program outcomes for these groups, including the skill level of jobs they obtained, in relation to the kind and intensity of training received. The principle findings of this study, which we will refer to throughout this statement, are as follows:

-- there was little evidence that JTPA was targeting either job readiness group for enrollment in the program (see exhibit I),

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[1] We used results of previous research, expert opinion, and the results of our own multiple regression analyses of Current Population Survey data to identify characteristics most strongly associated with those who experience more difficulty in the labor market. These characteristics were lacking recent work experience, being a black or Hispanic, being a school dropout, receiving public assistance, or being a single parent.

- -- those less job ready individuals who were enrolled in JTPA tended to receive less intensive services (see exhibit II),
- -- the quality of jobs received after leaving JTPA was strongly related to the skill level of training received (see exhibit III),
- -- school dropouts were underserved (see exhibit IV), and
- -- low skill on-the-job training was being provided for excessive periods of time (see exhibit V).

We testified on the preliminary results of this work in September 1988[2] and will issue the final report in the near future.

BETTER TARGETING OF RESOURCES

One of the primary purposes of S. 543 "is to improve the targeting of limited Federal resources on the `truly disadvantaged', the long-term hardcore unemployed, and on youth who have never entered the labor force and have no means to do so without the direct intervention of this program." Several provisions of S. 543 would target greater program resources and services to those among the economically disadvantaged who are more in need of service and harder to serve. Specifically, the proposed legislation would:

- -- Revise the funding allocations to give increased weight to the proportion of economically disadvantaged eligibles residing in states and localities,
- -- Target harder to serve youth through demonstrations,
- -- Allow the use of up to 10% of title IIA funds for experimental programs for the hard-to-serve,
- -- Establish a separate set of performance standards for hard-to-serve individuals, and
- -- Require non-economically disadvantaged participants to have two or more employment barriers.

Our recent study showed that the JTPA program does not target resources to any particular sub-group of eligibles, including the less job ready who presumably are most in need of training services. If anything, certain hard to serve subgroups such as dropouts were less likely to be served and received less intensive training than subgroups better prepared to enter the labor market without training. While the bill's provisions would encourage greater targeting of the hard to serve, they will not in themselves guarantee that such targeting will occur.

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[2] Job Training Partnership Act: Participants, Services, and Outcomes (GAO/T-HRD-88-31, Sept. 29, 1988).

Funding Allocation Formula

For example, the revised allocation formula will not necessarily insure greater services to the hard to serve. Since the implementation of JTPA, many have argued that the allocation formula for state and local funding places undue emphasis on the size of the unemployed population residing within these areas and insufficient emphasis on the size of the eligible population--the economically disadvantaged. The proposal would modify the funding formula by making more funds available to those areas with larger concentrations of economically disadvantaged individuals.

The current program serves only a fraction of those eligible and provides states and service delivery areas ample opportunity to target resources to those economically disadvantaged individuals in greater need of services. Yet, we found that JTPA was serving each job readiness group in proportions similar to its representation in the eligible population. Thus, one cannot conclude that allocating more money to areas with concentrations of those in need would necessarily result in more resources spent on individuals who are hard to serve. Rather, some more specific pronouncement of legislative intent or the establishment of specific performance standards for targeting may be necessary.

Performance Standards for Hard to Serve

In this regard, S. 543 proposes to establish a separate set of performance standards for training the hard to serve. This could be expected to encourage serving a greater number of individuals in that group by removing the perception that enrolling large numbers of hard to serve participants could lower a service delivery area's overall performance rating. However, it is not certain to do so. This is because local programs could perform successfully on the separate measures which apply to the hard to serve without enrolling any additional hard to serve individuals. Thus, while this proposal might eliminate a perceived barrier to serving this group, it does not insure that more hard to serve individuals will receive services.

Youth Demonstration and Experimental Programs

S. 543 would also authorize (1) $100 million in fiscal year 1990 to establish a youth demonstration grant program to target services on harder to serve non-college bound youth and (2) the use of up to 10 percent of title II adult funds on an experimental program for hard to serve groups with special needs, such as long-term Aid to Families with Dependent Children (AFDC) recipients. The existence of such demonstration programs should heighten the awareness of the need to focus intensive and differing services on hard to serve populations and may result in the identification of better approaches to assist such groups.

Additional Targeting Requirements Needed

While the above provisions should contribute to one of the primary goals of the bill--increased services to the hard to serve--additional steps may be needed to achieve that goal. First, S. 543 emphasizes assistance to the hard to serve but does not explicitly define this group. In our view, one reason the current program is not targeting any particular subgroup of eligibles is that the current targeting language is vague. To better assure that the bill's goals are met, we suggest that S. 543 include a clear definition of the term "hard to serve". For example, this group might be defined as having two or more characteristics considered to be significant barriers to employment such as those we used to identify less job ready participants or those included in the bill for non-economically disadvantaged participants.

Second, to insure that a greater number of hard to serve individuals are assisted, the bill could also include a requirement that the extent to which service delivery areas serve this group should be among the standards the Department uses to measure program performance.

Services to the Non-economically Disadvantaged

Another provision of the bill (which also relates to targeting) would tighten the circumstances under which noneconomically disadvantaged individuals could be enrolled, but increase the allowable percentage of such individuals from 10 to 15 percent. The more restrictive rule would require such individuals to have two or more employment barriers such as being handicapped, a school dropout, or a teenage parent.

The provision on multiple barriers appears consistent with the bill's targeting empnasis, but if the number of non-economically disadvantaged enrollees were to increase it would also reduce the funds available for the economically disadvantaged, including those who are hard to serve. On the other hand, Labor statistics indicate that, on average, the current ten percent ceiling has not been constraining--only about 7 percent of the participants served under JTPA are not economically disadvantaged.

Targeting Recommendations by the JTPA Advisory Committee

Labor's JTPA Advisory Committee recommended that a substantial majority of JTPA enrollees be (1) adults lacking in basic skills or welfare recipients with substantial welfare dependency; (2) out-of-school youth who are dropouts, welfare recipients, or lack basic skills; and (3) in-school youth who are at risk of dropping out of school or failing in the labor market. Although our data are not strictly comparable, our recent study indicates that JTPA may well be achieving the goal of these recommendations currently so that many service delivery areas could comply without any substantial change in their current behavior. We found that about 43 percent of adult participants and 54 percent of out-of-school youth are either dropouts or on AFDC or both. In addition, among youth and adult high school graduates, as well as among in-school youth, there are very likely substantial numbers who would be found to be lacking in basic skills.

Thus our data indicate that, if greater targeting is desired, Congress may want to focus on those with multiple barriers to employment. Our data indicate that when JTPA participants with multiple barriers to employment are provided with the same intensity of training as those with few or no barriers they often do as well. Furthermore, those who are both dropouts and on AFDC are underserved by JTPA compared to their presence in the eligible population. Eight percent of the adults and 12 percent of the youths served by JTPA were dropouts receiving AFDC compared to 33 percent and 23 percent, respectively, in the eligible population. (See exhibit VI.)

BASIC SKILLS TRAINING

Both S.543 and the Advisory Committee report emphasize basic skills training to JTPA participants.

-- S. 543 directs service delivery areas to give special emphasis to those "most-in-need" of basic skills and to test participants' reading and math skills; establishes a performance standard for basic skills; and provides a three percent set-aside for, among other things, basic skills training.

-- the Advisory Committee emphasizes serving adult and youth participants reading or computing below the eighth grade level.

Our JTPA participant data and other research provide insights regarding an increased emphasis on basic skills training. For example:

-- labor market opportunities, including steady employment and earnings, are poor for school dropouts;

-- many in the JTPA eligible population have an apparent need for basic skills training; and

-- JTPA currently underserves school dropouts in proportion to their presence in the eligible population.

Based on this information, we suggest in our forthcoming report that Congress consider requiring that service delivery areas not only assess participants' need for remedial education but also insure that such training is made available, either through JTPA or other education programs, to those who need it in order to succeed in the labor market. While S. 543 would require an assessment of reading and math skills it does not require that remedial training be provided to those with a demonstrated need.

LONG TERM TRAINING AND PLACEMENTS

S. 543 would encourage "long-term training" by (1) providing service delivery areas with three percent of the state allocated funds to be used, in part, to carry out long-term training and (2) awarding incentive funds to service delivery areas providing such training. In our forthcoming report we note the higher cost of more intensive training and the uncertainty regarding its cost-effectiveness. But given the apparent success of high and moderate skill job training, we recommend that the program's emphasis on such training be increased, while better data and program monitoring be incorporated to measure the effects of such a change. Although long-term training could generally be expected to be more intensive and for higher skill occupations, this may not necessarily be so. Thus, clarification of the term long-term training is likely needed. We raise this issue based on three findings from our JTPA study.

-- More intensive, higher skill training generally took longer to complete than other training services.

-- Those who received higher skill training were likely to be placed in higher or moderate skill jobs regardless of their job readiness category.

-- However, in many instances long-term, on-the-job training for low skill jobs appeared to be much longer than necessary and may come closer to providing wage subsidies to employers than to providing needed training.

While longer term training appears to be desirable for many participants, the length of training, in and of itself, is not sufficient criteria against which to measure performance. Therefore, we suggest that the bill be modified to emphasize long-term training in moderate or high skill occupations, along with clarifying language as to what specifically is meant by this term.

Placements

The proposed legislation encourages long-term placements by (1) requiring Labor to include retention in unsubsidized employment for more than 6 months as a factor in establishing performance standards and (2) awarding incentive grants to service delivery areas exceeding the new performance measures. Similarly, the JTPA Advisory Committee recommended that the primary performance measures be (1) job placement and (2) employment retention and that the program should seek jobs with career potential, employee benefits, and wages that allow individuals to become self-sufficient.

While the lack of consistent follow-up data among the service delivery areas prevented us from determining how long participants retained their jobs after leaving JTPA, we evaluated the skill level of the positions in which participants were placed. Our study showed that a significant percentage (41 percent) of the positions in which participants were placed were low skill jobs. Many of these are in occupations for which wage gains and productivity growth have traditionally been weak such as food service workers and waitresses.

Reporting data on the length of placements and developing a performance standard could be expected to encourage long-term placements. Such a reporting requirement, coupled with emphasis on moderate and higher skill training which, as previously noted, tends to lead to moderate and high skill jobs, should contribute to achieving the goal of long-term placements.

Adult competencies

S. 543 and the Advisory Committee report both make reference to competency measures for adults. The Senate bill would include a performance standard for basic skills and workplace competencies in addition to other measures including job placements. We have no specific information bearing on the effect of this change. The Advisory Committee recommended adding competencies as an acceptable program outcome measure for adults in lieu of job placement. This could be counter-productive and may conflict with the principle measure of performance for adult training programs cited in the act--namely "the increase in employment and earnings and reductions in welfare dependency."

In our view, achievement of an adult competency might be best considered as a means to an end--the end being a quality job placement--and not as an end itself. Permitting competencies to be counted as acceptable outcome measures, in lieu of placements, could discourage service delivery areas from providing participants with additional training, such as in occupational skills, after completion of basic skills or could lessen their incentive to aggressively seek job placements for such individuals. Our report on the use of competencies in JTPA youth programs[3] showed that an analogous situation was occurring with youth competency measures. Although most service delivery areas had youth competency systems, there were significant differences in the criteria used to judge good performance. This could have resulted in a wide disparity in the amount of training which youths, even those with very similar needs, might receive. This, in turn, would allow delivery areas providing minimal services to gain an unreasonable competitive edge over those providing more extensive training. As we pointed out, if that were to happen, the incentive awards could operate to discourage providing comprehensive high-risk training to participants needing more significant training and to encourage providing very minimal, low-cost training.

CONSISTENT AND RELIABLE DATA

The JTPA Advisory Committee recommended that the reliability and consistency of information collected by JTPA be improved and that common data elements be developed in order to define and measure performance consistently across programs. Our previous work in JTPA[4] also indicated the need for such a provision. Service delivery areas use different definitions for key terms such as "enrollment", "termination", and "placement". As the Advisory Committee pointed out, standardizing the meaning of such terms would improve the validity of national performance reports.

Labor's current data collection system also lacks a detailed description of who is being served in terms of their demographic characteristics and multiple employment barriers and hence their likelihood of succeeding in the labor market. Further, one cannot currently relate the outcomes participants experience to the kind and intensity of services received. In our opinion, such data would provide one indication of the effects of training on the labor market outcomes of individuals with differing initial chances of success in the labor market-- information vital for program management, Congressional oversight, and performance evaluation.

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[3] Youth Job Training: Problems Measuring Attainment of Employment Competencies, (GAO/HRD-87-33, February, 1987).

[4] Job Training and Partnership Act: Data Collection Efforts and Needs (GAO/HRD-86-69BR, March 1986); "The Job Training Partnership Act Performance Standards and Information Systems," Statement of William J. Gainer, Associate Director, Human Resources Division, General Accounting Office, before the Subcommittee on Employment and Productivity, March 11, 1986.

In the past, the Office of Management and Budget has been reluctant to approve additional data collection requirements suggested by Labor and may be unlikely to do so in the future. Thus, a legislative mandate may be necessary in order to collect such data. Therefore, we suggest that a provision be included in S.543 requiring that data be available at the local program level on (1) those combinations of participant characteristics associated with labor market difficulty, including lacking recent work experience, level of basic skills attainment, receiving AFDC or general relief, dropping out of school, and being a single parent, (2) the kind and intensity of services provided to such individuals, including the number of hours of training received and the skill level of such training, and (3) the labor market outcomes participants experience, including the skill level of the job obtained. We believe such definitions could be readily developed and we would be willing to work with the subcommittee on this matter.

INCREASED SUPPORT SERVICES

Senate bill 543 would provide an additional 10 percent (increased from 15% to 25%) for participant support services, such as transportation and child care, whereas, the JTPA Advisory Committee would permit an almost unlimited use of training funds for a similar purpose as well as for other non-training purposes including work experience and stipends. We believe that the Congress should be cautious in increasing funding for support services because JTPA's current successful emphasis on training could be altered. This could possibly lead to greater emphasis on non-training services, similar to the Comprehensive Employment and Training Act program where much of the funds were spent on such services. Also, the provisions in the current legislation, pertaining to the availability of waivers from the support service cost limit, appear to provide for program flexibility. Further, available support service funds are currently underutilized.

While some individuals need support services in order to participate in JTPA, service delivery areas have chosen not to provide such services to the extent permitted. We noted in an earlier report on JTPA support costs[5] that the limit on such funds imposed by the act was not a problem facing service delivery areas. JTPA permits them to spend 15 percent of their funds on support services and allows service delivery areas to seek waivers from this cost limit. Very few service delivery areas requested such a waiver and those that did generally got it. Moreover, on average, service delivery areas spent less than half (about 7 percent) of the 15 percent currently available on support services during program year 1985. More recent data on program year 1987 indicate that service delivery areas have increased such expenditures to about 11 percent but are, on average, below the 15 percent permitted. Thus, we believe the existing provisions of Section 108 of the Act pertaining to waivers are likely sufficient to allow service delivery areas needed flexibility to provide support services given service delivery areas' current emphasis on training and placement services.

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[5] The Job Training and Partnership Act: An Analyses of Support Cost Limits and Participant Characteristics (GAO/HRD-86-16, November,1985).

Under the JTPA Advisory Committee's proposal, the three existing JTPA cost categories (administration, supportive services, and training) would be reduced to two--management and services. Management costs would include costs now categorized as administration, currently limited to 15%. The services category would include all other costs including training and supportive services. This, in effect, would allow the service delivery areas to expend 85% of their funds on a combination of training and support services with no limit on the amount that could be spent on one or the other.

While this recommendation would provide service delivery areas even greater flexibility to provide support services to participants, it could also impact on the number of participants served and, more importantly, the extent of training provided. This impact is difficult to predict. However, using our data base, we developed a rough estimate of what it would have cost in the past to provide income support to participants who may have needed it to enroll in training (namely, those who were unemployed or not in the labor force and not receiving AFDC or general relief). Based on the time these participants spent in basic education or occupational classroom training, we estimate the cost of providing them stipends, using the current minimum wage of $3.35 per hour, would have been $168 million annually or about 10 percent of the funds allocated to service delivery areas under S.543. However, with incentives to provide greater assistance to more hard-to-serve individuals and more basic skills and longer-term occupational training, the costs of stipends and other support costs could increase significantly.

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This concludes our prepared statement. We will be pleased to work with the subcommittee in its future deliberations on this proposed legislation.

EXHIBIT I EXHIBIT I

GAO JTPA Participants Compared to the Eligible Population

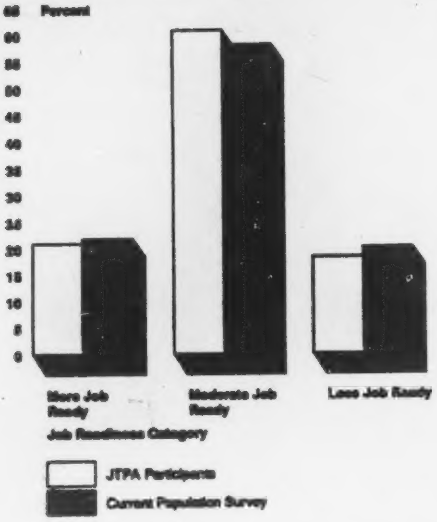


EXHIBIT II

EXHIBIT II

COMPARISON of JTPA SERVICES BETWEEN LESS JOB READY and MORE JOB READY

	More Job Ready		Less Job Ready
		(percent)	
Receiving Occupational Training	72		60
Receiving Higher Skill Occupational Training	32		16
Receiving Job Search Assistance Only	22		27
Hours of Occupational Training		(hours)	
Planned	630		577
Actual	471		337

EXHIBIT III **EXHIBIT III**

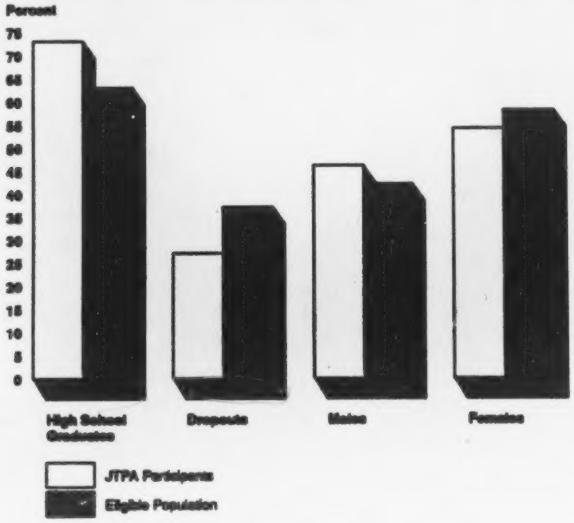
SKILL LEVEL OF JOB BY LEVEL OF TRAINING

Level of Training	Percent Placed	Skill Level of Job Obtained Higher	Moderate (percent)	Lower
MJR				
Higher	81	**75**	10	15
Moderate	75	6	**85**	9
Lower	84	3	4	**93**
IJR				
Higher	70	**70**	14	16
Moderate	73	4	**85**	11
Lower	76	2	6	**92**
LJR				
Higher	51	**73**	13	14
Moderate	57	3	**91**	6
Lower	70	1	7	**92**
Total Adults				
Higher	71	**72**	13	15
Moderate	70	4	**86**	10
Lower	77	2	6	**92**

EXHIBIT IV EXHIBIT IV

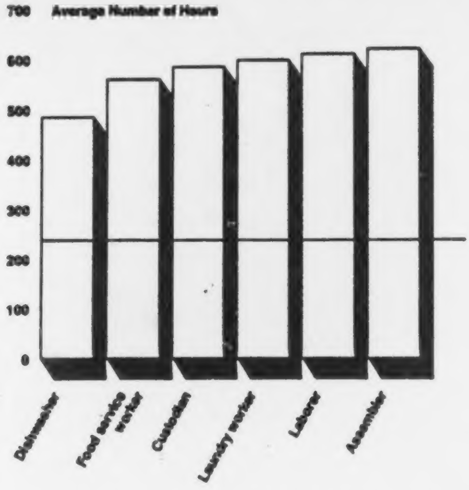
GAO

Comparison Between JTPA and the Eligible Population



GAO

Much Low-Skill OJT Takes Longer Than Necessary



—— Labor's estimated average training time for less-skilled occupations (240 hours).

EXHIBIT VI **EXHIBIT VI**

EDUCATION and WELFARE STATUS of JPTA PARTICIPANTS and ELIGIBLE POPULATION

Adults

	Eligible Population	JPTA Participants
	(Percent)	
AFDC Recipient	26	24
Dropout	37	27
Dropout or AFDC Recipient	30	43
Dropout and AFDC Recipient	33	8

Youth

	Eligible Population	JPTA Participants
	(Percent)	
AFDC Recipient	17	24
Dropout	39	42
Dropout or AFDC Recipient	33	54
Dropout and AFDC Recipient	23	12

Senator SIMON. Our final panel: John Gartland, Frank LaMere, Robert Ivry.

Mr. Gartland is the new chairman of the National Commission for Employment Policy.

We are very happy to have you here, Mr. Gartland.

STATEMENT OF JOHN C. GARTLAND, CHAIRMAN, NATIONAL COMMISSION FOR EMPLOYMENT POLICY, WASHINGTON, DC; FRANK LaMERE, EXECUTIVE DIRECTOR, NEBRASKA INDIAN INTER-TRIBAL DEVELOPMENT CORP., WINNEBAGO, NE; AND ROBERT IVRY, SENIOR VICE PRESIDENT, MANPOWER DEVELOPMENT RESEARCH CORPORATION, NEW YORK, NY

Mr. GARTLAND. Thank you. You already have the much longer statement, so I am going to read a brief statement.

Senator SIMON. We will enter your full statements in the record.

Mr. GARTLAND. I hope the yellow light hasn't already started. [Laughter.]

Mr. GARTLAND. Mr. Chairman, I am John Gartland, as you said, the newly appointed chairman of the National Commission for Employment Policy. I wish to thank you for the opportunity to share with you the commission's views on S. 543. While we offer some suggestions to modify sections of the bill, this package represents a comprehensive approach to the improvement of JTPA while retaining the sound principles and the systems which it was built upon.

However, we obviously disagree with the proposal to eliminate the commission. As an alternative, we hope the subcommittee will support the Department of Education's position in its reauthorization legislation for the Voc Ed Act.

Under this proposal, the commission, in effect, incorporates the functions and responsibilities of the National Council on Vocational Education. We understand that similar language will be contained in the Department of Labor's amendments to JTPA. These proposals of the administration retains the commission's independent status and mandate to examine all Federally supported employment and training programs, including vocational education.

The commission supports your proposals to encourage the use of youth funding on a yearround basis and to revamp the allocation formula in general. While the commission is not opposed to separate titles for adults and youth, we believe that targeting JTPA services can be accomplished within the current structure. We support your desire to increase targeting of those lacking basic skills.

In fact, we have provided assistance to the JTPA system in an effort to encourage assessments. However, we propose that the word testing be replaced with language requiring the assessment of participants' basic and work place readiness skills.

The commission supports your language on the reallocation of funds, although we suggest that this should be an optional tool for Governors. With respect to incentives and performance standards, the commission cautions the subcommittee about adopting an overly restrictive rule on the awarding of incentives. Give the system guidance, but allow the States and local policy makers the flexibility to target special groups.

We do not favor separate performance standards for the hard-to-serve individual. This would increase greatly the complexity of the performance standard system. Our research indicates that the tool currently exists to encourage service to the hard-too-serve without separate standards and that incentives can be instrumental in accomplishing targeting goals.

I would like now to speak briefly about the commission. The commission has played an active role in the arena of employment and training research over 15 years. In the last eight years alone the commission has published over 100 reports on a wide range of topics. We have disseminated these publications to the President and the Congress, as mandated, and to thousands of others across the country.

The feedback we have received from those on the front line is that the commission has provided a valuable service. You have heard others testify before you on the commission's contribution to their work.

The commission is involved in a number of projects which I think would be of interest to the subcommittee. For example, our research on under-service to Hispanics in JTPA in testimony at a recent hearing supported your concern about the need for basic skills training, including English as a second language.

We are also in the midst of a mandated study to examine the issues on worker dislocation. As you know, these reports are required by the Trade Act and are due by February 1990.

The commission is also examining barriers to employment experienced by two hard-to-serve groups: native American and homeless.

In closing, Mr. Simon, Mr. Chairman, I thank you for the opportunity to discuss these issues before you, and we will start to review the proposals of Congressman Hawkins and the administration and certainly will update your staff and you on our recommendations. Thank you.

Senator SIMON. Thank you very much.

[The prepared statement of Mr. Gartland follows:]

WRITTEN TESTIMONY

BY

JOHN C. GARTLAND
CHAIRMAN

NATIONAL COMMISSION FOR EMPLOYMENT POLICY

SUBMITTED TO

THE

UNITED STATES SENATE

SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY

MAY 11, 1989

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE, I AM JOHN C. GARTLAND, CHAIRMAN OF THE NATIONAL COMMISSION FOR EMPLOYMENT POLICY. ON BEHALF OF THE COMMISSION, I WISH TO THANK SENATOR SIMON AND THE MEMBERS OF THIS COMMITTEE FOR THIS OPPORTUNITY TO SHARE WITH YOU THE COMMISSION'S PERSPECTIVE ON S. 543, THE JOB TRAINING PARTNERSHIP ACT YOUTH EMPLOYMENT AMENDMENTS OF 1989.

AS THE NEWLY-APPOINTED CHAIRMAN OF THE COMMISSION, I WISH TO BEGIN BY COMMENDING SENATOR SIMON FOR PROPOSING, IN S. 543, A NUMBER OF WELL THOUGHT OUT COMPROMISES TO THE ISSUES FACING JTPA PROGRAMS. YOUR EXTENSIVE CONSULTATIVE PROCESS HAS RESULTED IN A PACKAGE OF AMENDMENTS WHICH THE COMMISSION IN GENERAL SUPPORTS. WHILE WE OFFER SOME SUGGESTIONS TO MODIFY SECTIONS OF THIS BILL, THIS PACKAGE REPRESENTS A COMPREHENSIVE APPROACH TO IMPROVING JTPA WHILE RETAINING THE PRINCIPLES UPON WHICH IT WAS BUILT.

HOWEVER, THE COMMISSION STRONGLY RECOMMENDS THAT RATHER THAN PURSUE THE ELIMINATION OF THE COMMISSION, THE SUBCOMMITTEE SUPPORT THE DEPARTMENT OF EDUCATION'S POSITION IN ITS REAUTHORIZATION LEGISLATION FOR THE CARL PERKINS VOCATIONAL EDUCATION ACT. THIS PROPOSAL RENAMES THE COMMISSION "THE NATIONAL COMMISSION ON EMPLOYMENT AND VOCATIONAL EDUCATION POLICY" AND IN EFFECT INCORPORATES THE FUNCTIONS AND RESPONSIBILITIES OF THE NATIONAL COUNCIL ON VOCATIONAL EDUCATION. WE UNDERSTAND THAT SIMILAR LANGUAGE WILL BE CONTAINED IN THE DEPARTMENT OF LABOR AMENDMENTS TO JTPA. THESE PROPOSALS OF THE ADMINISTRATION RETAIN THE COMMISSION'S CURRENT MANDATES AND INDEPENDENT STATUS TO EXAMINE ALL FEDERALLY SUPPORTED EMPLOYMENT AND TRAINING PROGRAMS, INCLUDING VOCATIONAL EDUCATION.

WITH A SLIGHT AMOUNT OF SUGGESTED FINE-TUNING, THE COMMISSION SUPPORTS YOUR PROPOSALS: TO ENCOURAGE THE USE OF YOUTH FUNDING ON A YEAR-ROUND BASIS, AND TO REVAMP THE ALLOCATION FORMULAE. WHILE THE COMMISSION IS NOT OPPOSED TO YOUR SUGGESTED CREATION OF

SEPARATE TITLES FOR ADULTS AND YOUTH. FROM OUR REVIEW, MOST OF WHAT YOU PROPOSE IN THE AREA OF TARGETING JTPA SERVICES CAN BE ACCOMPLISHED WITHOUT THE CREATION OF A SEPARATE YOUTH TITLE.

RELATED TO THE ADULT AND YOUTH ISSUE IS YOUR PROPOSAL TO REALIGN THE AGE DEFINITIONS. WE STRONGLY ENCOURAGE RETAINING THE CURRENT AGE DEFINITIONS OF ADULTS (22 YEARS OF AGE AND OLDER) AND YOUTH (AGES 16 THROUGH 21). WE PARTICULARLY FEEL THAT THE PROPOSED DEFINITION FOR YOUTH, AGES 16 THROUGH 24, WOULD CAUSE AN ENORMOUS SCHISM WITHIN THE YOUTH PROGRAMS BECAUSE OF THE DIVERSE NEEDS OF THIS WIDE RANGING AGE GROUP.

WE ARE DELIGHTED THAT THIS BILL RETAINS THE REQUIREMENTS FOR A PRIVATE SECTOR MAJORITY ON THE PRIVATE INDUSTRY COUNCILS (PIC) AND THAT THE CHAIR OF THE PIC MUST BE A PRIVATE SECTOR REPRESENTATIVE. HOWEVER, WE ARE STILL CONCERNED OVER THE PROPOSAL TO SET RIGID MEMBERSHIP PERCENTAGES FOR THE NON-PRIVATE SECTOR MEMBERS, AND TO REQUIRE THAT ONE MEMBER OF THE PIC BE A REPRESENTATIVE OF A PROGRAM PROVIDING VOCATIONAL REHABILITATION SERVICES. WHILE THE PERCENTAGES DO NOT APPEAR TO BE ONEROUS, THE MANDATED VOCATIONAL REHABILITATION REQUIREMENT DOES NOT TAKE INTO ACCOUNT DIVERSITY WITHIN LOCAL COMMUNITIES.

WITH RESPECT TO TARGETING OF SERVICES TO THOSE LACKING BASIC SKILLS, THE COMMISSION REPORTED LAST YEAR THAT THE CRITICAL ISSUE FOR JTPA PROGRAMS IS TO DETERMINE THE BASIC AND WORKPLACE READINESS SKILLS OF THEIR PARTICIPANTS. WE HAVE SUPPORTED EFFORTS TO ENCOURAGE ASSESSMENT PRACTICES, AND WE SUPPORT THE SENATOR'S DESIRE TO DO THE SAME. HOWEVER, WE PROPOSE THAT THE WORD "TESTING" BE REPLACED WITH LANGUAGE REQUIRING THE "ASSESSMENT OF PARTICIPANTS' BASIC AND WORKPLACE READINESS SKILLS." WE BELIEVE THAT THE WORD "TESTING" MAY FURTHER STIGMATIZE A GROUP OF PEOPLE WHO HAVE ALREADY FAILED TOO MANY TESTS.

WE HAVE A MIXED REACTION TO YOUR PROPOSAL TO INCREASE THE

PERCENT OF THOSE THAT CAN BE SERVED WHO ARE NOT ECONOMICALLY DISADVANTAGED. ON THE ONE HAND, THE COMMISSION DOES NOT SEE EVIDENCE THAT THE CURRENT "10% WINDOW" IS BEING USED FULLY, OR EVEN AS INTENDED, AND THEREFORE, QUESTIONS THE NEED FOR EXPANSION. HOWEVER, WE DO SUPPORT YOUR ADDITIONAL LANGUAGE WHICH MORE SPECIFICALLY TARGETS WHO CAN BE SERVED UNDER THE WINDOW.

THE COMMISSION IS GENERALLY SUPPORTIVE OF YOUR PROPOSED ALLOCATION FORMULAE, PARTICULARLY THE PROPOSAL FOR TITLE II-A WHICH DISTRIBUTES RESOURCES ON A BALANCE BETWEEN POVERTY AND UNEMPLOYMENT DATA. FURTHER WE ARE SUPPORTIVE OF YOUR VIEW TO DISTRIBUTE THESE FUNDS IN A LIKE FASHION TO THE SERVICE DELIVERY AREAS. WE SUGGEST THAT YOU CONSIDER REPLICATING THIS FORMULA AND APPROACH FOR YOUR PROPOSED TITLE II-B AS WELL. WE FURTHER RECOMMEND THAT THE DATA USED FOR THE ALLOCATION OF FUNDS BE MORE TIMELY AND, IF POSSIBLE, BE REFLECTIVE OF THOSE MOST LIKELY TO BE INVOLVED IN JTPA PROGRAMS, THOSE 14 THROUGH 65 YEARS OF AGE.

THE COMMISSION SUPPORTS YOUR LANGUAGE ON REALLOCATION OF FUNDS, ALTHOUGH WE SUGGEST THAT THIS SHOULD BE AN OPTIONAL TOOL FOR GOVERNORS RATHER THAN MANDATORY.

IN THE AREA OF SUBSTATE FUNDING REQUIREMENTS, THE COMMISSION IS GREATLY CONCERNED OVER THE DRAMATIC REDUCTION OF STATE ADMINISTRATIVE AND INCENTIVE AWARD RESOURCES. SHOULD THERE BE SEPARATE YOUTH AND ADULT TITLES, SET-ASIDES IN THE YOUTH TITLE SHOULD BE ADOPTED SIMILAR TO THOSE PROPOSED FOR THE ADULT TITLE IN THE AREAS OF ADMINISTRATION AND INCENTIVES.

FURTHERMORE, THE PROPOSED REDUCTION IN OLDER WORKER TRAINING FUNDS RAISES SERIOUS QUESTIONS. AS PROPOSED, THE 2% FUNDING LEVEL FOR THIS PROGRAM IS TOO SMALL FOR MOST STATES TO RUN AN EFFECTIVE OLDER WORKER TRAINING PROGRAM. THE COMMISSION SUGGESTS THAT THESE FUNDS SHOULD BE PASSED THROUGH TO THE SERVICE DELIVERY AREAS WITH STRONGER REQUIREMENTS TO SERVE OLDER PERSONS.

ALSO IN THE AREA OF SUBSTATE FUNDING, YOUR PROPOSAL TO ELIMINATE THE EDUCATION-COORDINATION SET ASIDE RAISES THE FOLLOWING TWO CONCERNS. THERE IS EVIDENCE THAT THESE FUNDS ARE THE PRIMARY SOURCE IN MANY AREAS FOR ENGLISH AS A SECOND LANGUAGE AND/OR G.E.D TRAINING. WILL STATES OR SDAS MAINTAIN CURRENT EFFORTS IN THESE AREAS IF THE EDUCATION-COORDINATION RESOURCE IS ELIMINATED? ALSO, THESE FUNDS HAVE BEEN SEED MONEY FOR SPECIAL PROJECTS TARGETED AT AT-RISK YOUTH AND OFFENDER POPULATIONS. AGAIN, WHAT IMPACT WILL THE ELIMINATION OF THIS RESOURCE HAVE ON SPECIAL PROJECTS? WILL YOUR PROPOSED STRATEGY OF PASSING MORE FUNDS DIRECTLY TO LOCAL AREAS COMPENSATE FOR THE LOSS OF SPECIAL STATE INITIATIVES?

WITH RESPECT TO INCENTIVES AND PERFORMANCE STANDARDS, THERE ARE A NUMBER OF ISSUES RAISED IN THIS LEGISLATION. FIRST, THE COMMISSION CAUTIONS THE SUBCOMMITTEE ABOUT ADOPTING OVERLY RESTRICTIVE RULES ON THE AWARDING OF INCENTIVES. GIVE THE SYSTEM GUIDANCE, BUT ALLOW THE STATES/LOCAL POLICYMAKERS THE FLEXIBILITY TO TARGET SPECIFIC GROUPS. OUR RECENT RESEARCH ON PERFORMANCE STANDARDS FOUND THAT INCENTIVES CAN BE INSTRUMENTAL IN ACCOMPLISHING TARGETING GOALS. BASED ON THIS RESEARCH, WE ALSO RECOMMEND THAT THE LAW BE CHANGED TO ALLOW FOR INCENTIVE GRANTS TO BE AWARDED BASED ON MEETING STANDARDS, INSTEAD OF "TO THE DEGREE THAT STANDARDS ARE EXCEEDED." THIS WILL REDUCE THE TEMPTATION OF INCENTIVE AWARDS TO FOCUS ONLY ON OUTCOMES AND NOT ON WHO IS SERVED.

SECOND, WE DO NOT FAVOR THE PROPOSAL TO ADOPT SEPARATE PERFORMANCE STANDARDS FOR HARD-TO-SERVE INDIVIDUALS. THIS WOULD INCREASE GREATLY THE COMPLEXITY OF THE PERFORMANCE STANDARDS SYSTEM. IT WOULD ALSO UNDERMINE THE DEPARTMENT OF LABOR ADJUSTMENT PRACTICES FOR ALL PERFORMANCE STANDARDS. OUR RESEARCH INDICATES THAT THE TOOLS CURRENTLY EXIST IN THE PERFORMANCE STANDARDS SYSTEM TO ENCOURAGE SERVICES TO THE HARD-TO-SERVE WITHOUT SEPARATE STANDARDS. A PROBLEM IS THAT THEY ARE NOT CURRENTLY BEING FULLY UTILIZED.

THIRD, WE DO SUPPORT YOUR PROPOSALS TO REQUIRE SEPARATE STANDARDS FOR IN-SCHOOL AND OUT-OF-SCHOOL YOUTH. AGAIN OUR RESEARCH ON PERFORMANCE STANDARDS STRONGLY INDICATED A NEED FOR THIS APPROACH.

FOURTH, THE COMMISSION SUPPORTS YOUR ADDITIONAL MEASURE OF ADULT PROGRAM EFFECTIVENESS, BASIC SKILLS ATTAINMENT. HOWEVER, WE SUGGEST THAT BASIC SKILL ACQUISITION FOR ADULTS SHOULD NOT BE A SEPARATE STANDARD FOR ADULTS, RATHER SHOULD BE ENCOURAGED THROUGH INCENTIVE AWARDS, ADJUSTMENTS TO EMPLOYMENT MODELS, AND EXPANDED DATA COLLECTION. WHILE ENCOURAGING THE ATTAINMENT OF BASIC SKILLS IS A WORTHY GOAL, THE FINAL OUTCOME FOR ADULTS MUST CONTINUE TO BE JOBS.

FINALLY, AT THIS TIME THE COMMISSION CAN NOT SUPPORT YOUR PROPOSAL TO ESTABLISH A RETENTION MEASURE OF GREATER THAN SIX MONTHS. WORK NEEDS TO BE COMPLETED ON A COST EFFECTIVE DATA COLLECTION SYSTEM BEFORE THIS REQUIREMENT IS ENACTED. THE COMMISSION IS CURRENTLY WORKING ON SUCH A SYSTEM USING ADMINISTRATIVE DATA FROM THE UNEMPLOYMENT INSURANCE SYSTEM. IN COOPERATION WITH THE DEPARTMENT OF LABOR, THE OFFICE OF INSPECTOR GENERAL, AND NEARLY A THIRD OF THE STATES, THE COMMISSION HOPES TO PRESENT SUCH AN EVALUATION SYSTEM FOR USE NEXT YEAR.

I WOULD NOW LIKE TO TURN TO THE ISSUE OF THE COMMISSION. THE COMMISSION HAS PLAYED AN ACTIVE ROLE IN THE ARENA OF EMPLOYMENT AND TRAINING RESEARCH FOR OVER FIFTEEN YEARS. IN THE LAST EIGHT YEARS ALONE THE COMMISSION HAS PUBLISHED OVER A HUNDRED REPORTS ON A WIDE RANGE OF TOPICS. WE HAVE FOCUSED ON THE PROBLEMS OF WOMEN, MINORITIES, OLDER AMERICANS, IMMIGRANTS, VETERANS, DISLOCATED WORKERS, AND AT-RISK YOUTH, TO NAME A FEW. WE HAVE DISSEMINATED THESE PUBLICATIONS TO THE PRESIDENT AND THE CONGRESS, AS MANDATED, AND TO THOUSANDS OF PROGRAM OPERATORS AND ADMINISTRATORS, RESEARCHERS, ELECTED OFFICIALS, AND THE GENERAL PUBLIC ACROSS OUR COUNTRY. THE FEEDBACK WE HAVE RECEIVED FROM THOSE ON THE FRONT LINES, IS THAT THE COMMISSION HAS BEEN

PROVIDING A VALUABLE SERVICE, BOTH IN THE TYPE AND FOCUS OF OUR RESEARCH. PREVIOUSLY, YOU HAVE HEARD OTHERS TESTIFY ON OUR CONTRIBUTIONS TO THEIR WORK.

AN EXAMPLE OF OUR CONTRIBUTION IS A RECENT FOCUS ON JTPA SERVICES TO HISPANICS.

A YEAR AGO OUR COMMISSION REPORTED TO YOUR SUBCOMMITTEE THAT WE HAD FOUND THAT HISPANICS ARE UNDER-REPRESENTED IN JTPA PROGRAMS. THE COMMISSION REQUESTED THAT ITS STAFF INVESTIGATE THESE FINDINGS TO DETERMINE THE REASONS FOR HISPANIC UNDER-SERVICE IN JTPA PROGRAMS.

AT MY FIRST COMMISSION MEETING AS CHAIRMAN LAST MONTH, THE COMMISSION REVIEWED THE STAFF FINDINGS OF THIS FOLLOW-UP STUDY, AND WAS DEEPLY DISTRESSED BY ITS IMPLICATIONS. BEFORE MAKING OUR RECOMMENDATIONS TO THE PRESIDENT AND THE CONGRESS, THE COMMISSION IS HOLDING EXTENSIVE HEARINGS THROUGHOUT THE COUNTRY.

OUR FIRST HEARING WAS LAST WEEK. ONE OF THE KEY ISSUES RAISED WAS THE NEED FOR MORE ENGLISH-LANGUAGE TRAINING IN JTPA PROGRAMS. THE TESTIMONY WE HEARD IS CONSISTENT WITH THE THEMES OF YOUR LEGISLATION WHICH PROMOTES SERVICES TO THOSE LACKING BASIC SKILLS.

THE COMMISSION HAS FOCUSED A GREAT DEAL OF ATTENTION ON JTPA THESE PAST FEW YEARS -- PARTLY BECAUSE OF SPECIFIC MANDATES IN THE ACT AND PARTLY BECAUSE A NEW PROGRAM ALWAYS HAS ROOM FOR EXAMINATION AND IMPROVEMENT. THE COMMISSION AND OUR EXCELLENT STAFF WILL NOW PURSUE MORE VIGOROUSLY OUR LARGER, MORE GENERAL, MANDATE TO ADVISE THE PRESIDENT AND THE CONGRESS, AS AN INDEPENDENT BODY, ON NATIONAL EMPLOYMENT POLICY ISSUES AND EVALUATE THE EFFECTIVENESS OF ALL EMPLOYMENT AND TRAINING PROGRAMS, INCLUDING VOCATIONAL EDUCATION.

THE COMMISSION IS ALSO INVOLVED IN A NUMBER OF OTHER PROJECTS

WHICH I THINK WOULD BE OF INTEREST TO THE SUBCOMMITTEE. WE ARE IN THE MIDST OF OUR MANDATED STUDY TO EXAMINE ISSUES OF WORKER DISLOCATION. AS YOU KNOW, THIS REPORT IS REQUIRED BY THE OMNIBUS TRADE AND COMPETITIVENESS ACT OF 1988 AND IS DUE TO CONGRESS BY FEBRUARY 1990. THE COMMISSION IS EXAMINING THE BARRIERS TO EMPLOYMENT EXPERIENCED BY TWO ADDITIONAL HARD-TO-SERVE GROUPS IN OUR SOCIETY -- NATIVE AMERICANS AND THE HOMELESS. AND FINALLY, WE WILL BE EXAMINING CHILDCARE NEEDS OF ENROLLEES IN JOB TRAINING PROGRAMS, INCLUDING THE NEWLY ENACTED JOBS PROGRAM. AS ALWAYS, THE COMMISSION'S AIM IS TO BE EVER PRESENT IN THE ISSUES FACING THE NATION.

IN CLOSING, I THANK THE CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE FOR THE OPPORTUNITY TO DISCUSS THE ISSUES RAISED BY JTPA AMENDMENTS. AFTER WE REVIEW IN DETAIL THE PROPOSALS OF CONGRESSMAN HAWKINS AND THE ADMINISTRATION, WE WILL UPDATE OUR ANALYSIS TO YOU AND THE COMMITTEE'S STAFF ON THESE AMENDMENTS.

I HOPE I HAVE PROVIDED YOU WITH A SENSE OF THE COMMISSION'S NEW DIRECTION. AS WE CONTINUE TO MEET OUR SPECIFIC MANDATES, WE WILL SEEK A CLOSER RELATIONSHIP WITH THE CONGRESS. OUR COUNTRY'S FUTURE EMPLOYMENT PICTURE IS FILLED WITH A NUMBER OF CHALLENGES. THE COMMISSION STANDS READY TO WORK WITH THE CONGRESS, THE STATES, AND CITIZENRY TO ADDRESS THESE PROBLEMS HEAD ON. THROUGH OUR COLLECTIVE EFFORT WE CAN IDENTIFY THE NECESSARY SOLUTIONS, AND READY OUR NATION FOR THE YEARS TO COME.

THANK YOU.

Senator SIMON. Mr. Robert Ivry, senior vice president of Manpower Development Research Corporation. Happy to have you with us.

Mr. IVRY. Thank you very much, Mr. Chairman.

MDRC is pleased to have this opportunity to comment on S. 543, to offer some additional suggestions for amending the JTPA system, and to share with you some relevant lessons we have learned during 15 years of conducting research on employment programs for various disadvantaged groups.

Although JTPA deserves credit for restoring public confidence in the Nation's employment and training system, changing labor market conditions and emerging research findings build a strong case for reorienting JTPA at this time.

First, despite the well-documented skills crisis, the combination of a shrinking work force and growing labor shortages creates a window of opportunity to provide jobs to those currently outside of the economic mainstream.

However, to succeed, JTPA must enroll and serve individuals who are educationally as well as economically disadvantaged, those at risk for prolonged periods of unemployment and poverty.

However, it is these groups which are often bypassed by JTPA's performance-driven system which rewards high-placement, low-cost programs.

Second, these performance standards may actually be working at cross-purposes to JTPA's ultimate objectives of increasing employment and earnings, reducing welfare dependency, and maximizing the return on the public investment.

There is increasing evidence from recent studies of welfare employment programs that concentrating on the most job-ready, at least among welfare recipients, may not be a wise investment of resources, since many of these individuals can succeed on their own. It is the individuals with poorer skill levels and more limited work history that may have the most to gain from JTPA since they are less likely to succeed without JTPA's help.

Given the limited resources available, it seems prudent to reorient JTPA to reach these at-risk groups and to provide them with the intensive services necessary to boost both their educational levels and their vocational skills. Many of the provisions in S. 543 should make this possible.

Mr. Chairman, let me now turn to JOBSTART, which serves as a case study showing both the potential of a promising intensive program for disadvantaged school dropouts and the impediments of implementing such programs under JTPA's current structure.

JOBSTART, in essence, provides a preview of the type of program which would be easier to run if the provisions of S. 543 are adopted. The JOBSTART demonstration which is being undertaken by MDRC is testing the effectiveness of a program combining basic education, occupational training, support services, and job placement for disadvantaged school dropouts with low reading levels. The JOBSTART model is being implemented in 13 sites with program funding provided through JTPA.

The findings from a soon-to-be-released report provides evidence that education and training can boost the skill levels of young people who have not fared well in schools, but also suggests that changes in JTPA can make it easier to operate these programs. Compared to typical JTPA programs, JOBSTART participants were more disadvantaged and the services they received were more intensive.

Furthermore, JOBSTART produced substantial impacts on educational attainment, based on a 12-month follow-up after initial enrollment.

However, implementing JOBSTART within the JTPA environment proved to be a real struggle for the 13 sites. Here is a sampling of some of the barriers they faced:

The common practice in JTPA is for local service delivery areas to ratchet up the performance standards in contracts with service providers above what the SDA itself is expected to achieve, in order to give themselves a margin of safety. Several JOBSTART sites faced this ratcheting problem, which created financial penalties for providing longer-term training.

In some sites, JTPA intake procedures created a virtual obstacle course which screened out all but the most motivated. JTPA's restrictions on support services limited the site's ability to provide childcare, transportation, and needs-based payments, all of which are important to sustain the involvement of the disadvantaged young people in longer-term programs.

Finally, JTPA's restrictions on administrative costs limited the site's ability to conduct aggressive outreach and recruitment which are essential to entice youths who are reluctant to risk failure.

Mr. Chairman, I would now like to turn to the recommendations on what can be done to improve the system. Many of the proposed provisions in S. 543 are steps in the right direction, particularly establishing more targeted eligibility criteria, revising the allocation formula, creating a separate youth title, modifying the performance standards, easing the restrictions on program services, and increasing the cap on support services in the youth title.

We would like to propose some additional changes for your consideration:

First, more explicit targeting for adults, requiring that a majority of adults be educationally as well as economically disadvantaged as measured by basic skills deficiencies or other proxies.

Second, regarding performance standards, we suggest requiring States to use the adjustment model, dropping the cost standard at least as a trigger for incentive funding, and tying incentive awards for meeting standards without proportionate increases for exceeding them.

Finally, we recommend more flexible and streamlined cost categories in both titles, increasing the cap on administrative costs to 20 percent and to combine support services and training into one cost category that should account for at least 80 percent of spending.

Adoption of these proposed amendments will help retool JTPA to meet its multiple objectives of increasing the productivity of the Nation's work force, of meeting the needs of employers, and of reducing poverty and dependency.

Thank you.

Senator **Simon**. I thank you very much.

[The prepared statement of Mr. Ivry follows:]

TESTIMONY OF

ROBERT J. IVRY

SENIOR VICE-PRESIDENT

MANPOWER DEMONSTRATION RESEARCH CORPORATION

BEFORE THE

SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY

COMMITTEE ON LABOR AND HUMAN RESOURCES

UNITED STATES SENATE

HEARING ON S.543

JOB TRAINING PARTNERSHIP ACT AMENDMENTS OF 1989

MAY 11, 1989

Good morning. I am Robert Ivry, Senior Vice-President of Manpower Demonstration Research Corporation. MDRC is pleased to have this opportunity to comment on S.543, the proposed amendments to the Job Training Partnership Act; to offer some additional suggestions for reorienting JTPA; and to share with you some relevant lessons we have learned during nearly fifteen years of conducting research on employment programs for disadvantaged youth, adolescent parents, welfare recipients and young high school dropouts.

I will begin by noting some recent trends and developments that have led policymakers to seek ways to retool some of the major systems that serve our nation's poorest citizens -- including JTPA. Next, I will highlight some of the emerging lessons from MDRC's JOBSTART Demonstration for disadvantaged school dropouts, which reveal the constraints in implementing comprehensive programs for less employable groups within JTPA's current structure. Finally, I will offer some specific comments on the proposed amendments, as well as some other changes we would recommend to help strengthen JTPA.

A New Focus on Basic Skills and the Severely Disadvantaged

There is an emerging consensus among policymakers and corporate leaders on the need to raise the educational attainment and improve the basic skills of disadvantaged youth and adults in order to respond to the hiring needs of a rapidly changing labor market. This has occurred for several reasons.

First, many observers have noted that shifts in the United States economy have created a mismatch between the skills required for entry-level job, and the skills deficits of many job-seekers. This has contributed to the persistence of poverty in many areas, even amidst severe labor shortages. These trends, coupled with demographic projections suggesting that the number of people entering the workforce will shrink substantially in coming decades, have stimulated new efforts to help disadvantaged individuals acquire the skills and credentials necessary to enter and advance in the workforce. These efforts are increasingly seen as critical both for individuals and for the future health of the national economy.

Second, recent research has revealed a striking, direct relationship between basic skills deficiencies and a variety of social problems -- most notably youth joblessness, teenage parenting and dropping out of school. One study found that young people with low basic skills (those who scored in the bottom 20 percent on a standardized test) are nine times more likely to drop out of school, eight times more likely to become mothers out of wedlock, and four times more likely to become welfare dependent than are young people with above-average basic skills.

Third, and finally, these problems have costly consequences -- for the business community, for the individuals involved and for society at large. For employers, filling open jobs in an era of labor shortages and training workers with poor basic skills add substantially to the cost of doing business. For government, expenditures on social supports for people who are unemployed or out of the labor force exacerbate an already tight budget situation. Finally, for individuals who are unable to obtain well-paying jobs, the "skills crisis" often means poverty and despair on a daily basis.

These developments have presented policymakers with both an opportunity and a challenge for the 1990s. On the one hand, the tight labor market creates an unusual opportunity to offer a job to every adult American who wants to work, at least in the short-term. Further, research efforts have identified the most critical barriers to employment facing disadvantaged people, as well as some promising approaches to removing these obstacles. On the other hand, it is also now clear that many of the major systems that currently deliver services to the disadvantaged -- including the welfare, education and job training systems -- need to be adapted to meet the new challenges.

During the past year, policymakers at the state and federal levels have taken a number of important steps to reorient these systems. The Job Opportunities and Basic Skills (JOBS) program -- created as part of the Family Support Act (FSA) of 1988 -- is designed to reduce long-term welfare dependency, in part by increasing the availability of educational and training services for AFDC recipients.

In March of this year, a panel of JTPA practitioners and experts on employment policy assembled by the Secretary of Labor (which included MDRC) released Working Capital: JTPA Investments for the 90s. This report offers twenty-eight specific recommendations designed to target JTPA services toward a more disadvantaged population -- including individuals with poor basic skills -- and to focus program resources on basic skills instruction and other intensive services. Such changes were seen as necessary even with the passage of FSA because the JOBS and JTPA programs serve overlapping, but not identical, populations. S.543 embodies many of the recommendations included in the Working Capital report. To the exent that relevant findings are available, research conducted by MDRC and others supports the thrust of these proposed changes in JTPA.

Distinguishing Between Program "Impacts" and Program "Outcomes"

JTPA deserves credit for restoring public confidence in the nation's employment and training system, for building a broad base of support, including a pivotal role for the private sector, and for attempting to develop performance measures to hold local JTPA programs accountable. However, there are some inherent tensions between the statutory objectives of JTPA (which focus on program impacts and return on investment) and the system of performance standards (which focus on program outcomes, such as job placement rates, other "positive terminations" and the "cost per success story"). Understanding the distinction between program outcomes and program impacts is important since, instead of complementing each other, they can often work at cross-purposes. This may undermine the ability of JTPA to meet its statutory goals. Let me elaborate.

Title I, Section 106, of the JTPA statute states that:

> (a) The Congress recognizes that job training is an investment in human capital and not an expense. In order to determine whether that investment has been productive, the Congress finds that --
>
> > (1) it is essential that criteria for measuring the return on this investment be developed; and
> >
> > (2) the basic return on the investment is to be measured by the increased employment and earnings of participants and the reductions in welfare dependency.

The last clause of this statement is key: the success of JPTA or any other employment and training program -- and the degree to which it produces real benefits for both government budgets and society in general -- depends on the degree to which individuals participating in the program experience gains *relative to what they would have achieved on their own, without enrolling in the program*. This difference between what participants achieve through the program and what they would have achieved without it represents the true effect -- or "impact" -- of the program.

Program *impacts* must therefore be distinguished from program *outcomes*, such as placement rates and cost per placement. Impacts measure the difference a program makes. Outcomes measure what happens to people (such as getting a job or getting off welfare) who enroll in the program, regardless of whether the program had anything to do with these events. Numerous studies have shown that some enrollees who achieve an outcome would have done so on their own, without program services. Hence, outcomes always overstate the achievements directly attributable to a program. In the extreme, a program could serve and place into jobs mostly people who would have found employment on their own. In this case, the program would achieve a high placement rate but would actually have little impact on the participants. Investing public funds in such a program would not yield a high return, because the program would not produce "increases in employment and earnings" or "reductions in welfare dependency," relative to what would have occurred in the absence of the program.

Studies of JTPA's early period suggest that the system focused on maximizing job placements, minimizing costs and developing credibility with the employer community. During this period, performance standards stressing short-term job placement provided strong incentives for SDAs to target services toward more employable clients. For example, during program years 1984-86, young dropouts constituted only 11 percent of participants in the main JTPA title (IIA) and 27 percent of youth participants. More severely disadvantaged clients, generally requiring more intensive services, were less likely to be served because those clients were less likely to succeed and thus less likely to help SDAs achieve their performance targets. Although the system exceeded its performance goals, it may have done so at the cost of neglecting the groups within the universe of JTPA eligibles with the greatest need for job training services.

A consistent finding in MDRC's work with relatively low-cost employment programs serving welfare recipients is that program impacts are smallest for the most job-ready clients. This is true even though program outcomes -- in this case, employment rates -- are generally highest for this group. This is not surprising, since those with fewer barriers to employment would presumably fare better without the program than would those facing many barriers. Unfortunately, the evidence does not clearly support the converse. That is, impacts are not necessarily largest for the most disadvantaged clients. Rather, programs seem to produce the largest impacts for a "middle group," who are neither the least nor the most disadvantaged.

An example can be found in MDRC's study of Baltimore's Options Program, which provided a variety of job search, training, education and work experience activities to AFDC recipients. Fifteen months after enrolling in the program, the employment rates -- a measure of program outcomes -- for participants with work experience in the previous year were more than twice as high as for those who did not have prior work experience. However, impacts from the program were more than twice as high for those with no prior work experience as for those with work experience. In other words, compared to similarly disadvantaged people who were not in the program, Options participants with no work experience achieved relatively large gains. In contrast, many of those with work experience would have found employment even without the Options Program, so the program did not make much of a difference for these clients.

While other MDRC evaluations of employment programs for welfare recipients have reached similar conclusions about program impacts on some subgroups of participants, evidence is not yet available about programs serving disadvantaged youth. However, it is important to note that approximately one-fourth of JTPA clients are welfare recipients, so the findings noted above are pertinent to JPTA. In addition, a large-scale controlled study of JTPA currently under way should yield important information on this subject by the early 1990s. MDRC is part of the team conducting this evaluation.

Despite the dearth of directly relevant research findings, there has been growing concern in recent years that JTPA's focus on outcomes has come at the expense of true impacts. Thus, regulatory changes and policy statements issued by the Department of Labor have attempted to reduce JTPA's emphasis on quick job placement, at least for some types of clients. However, a placement and cost-driven ethos is still strongly engrained in the system. This means that JTPA needs to adjust to changing demographic and labor market conditions by shifting its focus to more intensive and comprehensive services for individuals who are educationally as well as economically disadvantaged.

Devising ways to reorient the JTPA system is a complex task, since it should be done without altering the delivery structure or jeopardizing the support of the business community and the general public. However, our experience in JOBSTART and other programs serving disadvantaged young people does suggest some steps that may be useful. A number of these will be discussed below.

The JOBSTART Demonstration

In 1985, MDRC launched a nationwide demonstration of JOBSTART, a program serving dropouts aged 17 to 21 who read below the eighth grade level. The program, which included self-paced basic educational instruction, occupational skills training, support services and job development and placement assistance, was operated by schools, community-based organizations and non-residential Job Corps programs in 13 sites around the country. As will be discussed below, the demonstration was operated within the JTPA system and thus provides in essence a "case study" to assess the ability of that system to support comprehensive, long-term, intensive services for a highly disadvantaged population.

The JOBSTART Demonstration is significant for three reasons. First, the program serves a group of young people who are more disadvantaged than are youth currently served in JTPA. This group of young people, which is growing in proportion to the overall youth population, is at great risk of prolonged periods of unemployment. Further, there are few programs of proven effectiveness for disadvantaged school dropouts. Findings from most prior evaluations have either been negative or inconclusive because of implementation problems or poorly conceived evaluation designs. An important exception is the Job Corps, which offers a combination of skills training, basic education and support services in a residential setting, and has been considered effective in improving the educational attainment levels and employment rates of seriously disadvantaged dropouts. However, it is not possible to offer Job Corps services to all dropouts. Thus, the JOBSTART model is designed to test a program that is similar to the Job Corps but is provided in a nonresidential community setting and with a less extensive set of support services.

Second, an experimental research design involving the random assignment of eligible individuals to the JOBSTART program or a control group that will not receive program services is being used to evaluate JOBSTART. By comparing the educational and employment experiences of JOBSTART participants to those of the control group, it will be possible to provide policymakers and program operators with reliable information on the effectiveness of the JOBSTART approach.

Finally, as noted above, JOBSTART was operated within the JTPA system. Because no special federal funding was available to support program operations, sites had to raise money from existing sources, primarily Title IIA of JTPA. Thus, the JOBSTART evaluation is both evaluating a program model and assessing the ability of the JTPA system to support an intensive initiative for seriously disadvantaged dropouts.

Early Findings from the JOBSTART Demonstration

MDRC will soon release the second evaluation report on JOBSTART. Some of the most important general findings include the following:

- JOBSTART participants were more disadvantaged than are youths typically served in the JTPA system. As noted earlier, only dropouts reading below the eighth grade level were eligible for JOBSTART. In contrast, during program year 1986, 72 percent of JTPA participants were either in school or were high school graduates. In addition, more than one-half of JOBSTART youths were receiving public assistance, and nearly one-half had not worked within the previous year. One-half of the female participants were mothers, and one-fourth of the males had been arrested since their sixteenth birthday. The vast majority (about 90 percent) of participants were members of minority groups. Even among dropouts served by JTPA, the percentage receiving public assistance was significantly lower than the figure for JOBSTART participants.

- JOBSTART sites provided a more intensive program than was typically offered youths in JTPA. The median length of participation in JOBSTART was about 6 months, compared with a median stay of 3.4 months for young dropouts in JTPA Title IIA programs during the same period.

- JOBSTART produced substantial impacts on educational attainment during the 12 months after participants entered the program. By the end of the one-year follow-up period, 28 percent of JOBSTART participants had earned a GED, compared to only 10 percent of the members of a control group which did not receive JOBSTART services. This investment in human capital by participants came at the cost of forgone employment and earnings in the short run. However, the employment rate difference narrowed over the follow-up period as increasing numbers of participants left JOBSTART and found employment.

- It was extremely difficult to operate JOBSTART programs using funds available under Title IIA of JTPA. JOBSTART, with its intensive services and targeted approach, might not have succeeded without the environment of a special demonstration, and the creative strategies developed by program operators to overcome systemic obstacles to operating intensive programs serving highly disadvantaged groups within JTPA. Many of the JTPA-related impediments to operating JOBSTART are discussed below.

Impediments Within the JTPA System to Operating Intensive Programs for More Disadvantaged Youth

As noted earlier, JOBSTART provides a "case study" to assess the potential and constraints of implementing intensive programs for highly disadvantaged youth under the current JTPA structure. As expected, the system presented program operators with a number of difficult challenges. For the most part, these obstacles stemmed from JTPA's emphasis on short-term, low-cost programs that quickly place a large percentage of people into jobs, and from statutory restrictions on the way states and SDAs may use program funds.

The use of the 6 percent setasides by states illustrates how SDAs are steered in the direction of serving more employable rather than less employable subgroups within the universe of JTPA eligibles. In most states, the 6 percent setasides are used to reward SDAs that exceed performance standards for specific groups. These special funds create a powerful incentive for SDAs to focus their efforts on clients who are likely to become employed more quickly. This effectively penalizes SDAs that operate programs like JOBSTART which, by definition, cannot perform well according to short-term job placement and cost criteria.

Federal performance standards and the focus on quick job placement pervade the JTPA system in other ways as well. For example, since SDAs are expected to achieve high percentages of "positive terminations" for youth, the performance-based contracts they negotiate with agencies that deliver program services often stress these same outcomes. Typically, the primary benchmarks for service providers enrolling youth are completion of a GED or placement in a job. This may make providers unwilling to enroll severely disadvantaged youths who cannot achieve one of these outcomes quickly.

In addition, SDAs tend to "ratchet up" the performance standards in contracts (above what the SDA itself is expected to achieve) in order to give themselves a margin of safety. This "ratcheting" tendency is widespread, as SDA's attempt to hold service providers to higher and higher standards in order to improve their own performance relative to the standards.

In the JOBSTART Demonstration, education agencies that operated the JOBSTART program and referred participants to other programs for skills training often encountered difficulty getting paid because their payment benchmarks were tied to the performance standards, as just described. Many youths who begin a program like JOBSTART reading below the eighth grade level may not achieve a GED yet can make the transition into further occupational training. However, this transition is not counted as a positive termination when the follow-up training is funded by Title IIA of JTPA.

In the area of cost restrictions, current law defines three cost categories (administration, support services and training) and imposes limits on the proportion of spending that can fall under the first two items. The goal of these restrictions is to induce SDAs to spend program funds on training services likely to lead to job placement. However, in the JOBSTART Demonstration, the cost limitations created additional barriers to serving the disadvantaged youth targeted by the program.

For example, the cost limitations hampered the JOBSTART sites' ability to provide support services and work experience to participants. Once enrolled in a program like JOBSTART, seriously disadvantaged youth need extensive support services such as assistance with child care and transportation and other activities to create a supportive environment and build a commitment to the program. The demonstration also suggested that work experience, coupled with education and training, could play a useful role in such programs by reinforcing "world of work" training and providing youth with a vital source of income during the extended period of program participation.

Similarly, JOBSTART recruitment problems were exacerbated by JTPA limitations on administrative expenses. Programs working with dropouts need to engage in active, aggressive recruiting, since many of these young people are reluctant to risk failure and are disconnected from the network of social service agencies. While JOBSTART sites were able to enroll a highly disadvantaged population into the program, recruitment was an ongoing problem. (This has also been true of a number of past education and training initatives serving dropouts.) The cap on administrative expenses (set at 15 percent) made it impossible for most sites to hire full-time recruiters.

Recruitment was also hampered by JTPA intake procedures, which established a virtual "obstacle course" for interested youth. Some applicants were screened out because they could not prove that they met JTPA eligibility requirements. Others did not have the perseverance to complete the necessary paperwork or were unwilling to cooperate with documentation requirements that probed their and their families' financial status. This type of obstacle course effectively screens out many highly disadvantaged clients.

What Can Be Done to Improve the System?

Shifting the JTPA system to focus more resources on intensive services for highly disadvantaged youth will require a combination of statutory changes and strong signals from the federal government about the objectives of the system. Many of the proposed provisions in S.543 are steps in the right direction -- particularly establishing more targeted eligibility criteria, revising the allocation formulas, modifying the performance standards, easing the restrictions on program services, and increasing the cap on administration and support services. The recommendations offered here are based on MDRC's research and experience and address four broad areas -- targeting, performance standards, contracts, and intake procedures -- that influence who is served by JTPA and what types of services are available. These recommendations are also consistent with many of the suggestions in the JTPA advisory panel's Working Capital report.

Before recommending specific changes, I would like to emphasize what should not be changed. The JTPA service delivery system is based on a partnership at the local level between the private sector and local elected officials, and on state oversight and local service delivery. This structure has been critical both in solidifying private sector support for the program and in making it responsive to the needs of employers. These are important achievements, and we are pleased to see that S.543 will not substantially alter the structure of the system.

Targeting: The JTPA system should focus its scarce resources. Funds should be concentrated in areas with the largest number of eligible individuals, and service delivery areas need to target services to those eligible individuals who are most likely to benefit from JTPA services. Because it is unlikely that JTPA will ever be adequately funded to serve all eligibles in need of services, it is important that resources be used as effectively and efficiently as possible.

In terms of the groups targeted for JTPA services, several strategies should be used to focus program resources on adults and youth who face severe barriers to employment, especially on those who lack basic skills. These approaches should include both changes that remove the barriers currently preventing SDAs from serving these groups as well as positive steps toward shifting program resources in their direction. This change, more than any other, will push JTPA to enroll groups that have generally been under-served during JTPA's early history.

S.543 stipulates that special emphasis should be given to hard-to-serve populations or individuals most in need of basic skills or employment training services. This will send an important signal to states, SDAs and program operators that these groups are now a priority for service. The amendments also include important changes in the formulas for allocating funds among states and SDAs, which will better target funds toward those areas with greatest need. In addition to these steps, we recommend that program eligibility criteria be explicitly changed to induce the system to serve some proportion of adults and youth who are educationally as well as economically disadvantaged or face other barriers to employment. For example:

- A majority of adult enrollees should be either lacking in basic skills, be welfare recipients targeted for service under the JOBS provisions of the Family Support Act, or be other long-term public assistance recipients.
- A majority of out-of-school youth enrollees should be either dropouts, welfare recipients or lacking basic skills.

- Services for in-school youth should be targeted to students aged 14 and over who are at risk of dropping out of school or failing in the labor market.

Toward the same end, we support S.543's creation of a separate youth title. This will give added emphasis, visibility and funding to youth programs and will allow greater flexibility in the allocation of funds between summer and year-round programs for youth.

In addition, the current restrictions on spending categories should be modified to allow SDAs to spend more money on the support services and administrative functions necessary to serve severely disadvantaged youth. As the JOBSTART findings show, the current restrictions represent a major barrier to serving highly disadvantaged individuals. S.543 includes several provisions designed to ease the restrictions on support services funding. These include a provision allowing SDAs to spend an additional 10 percent on support services for individuals in long-term services (with the permission of the Governor) and another that stipulates that performance standards may not penalize SDAs for spending on support services. An alternative strategy would be to increase the cap on administrative costs to 20 percent (thereby allowing programs to dedicate staff for outreach and recruitment) and to combine support services and training into one cost category that should account for at least 80 percent of spending. In addition, as S.543 proposes, limitations on work experience and stipends should be less stringent so that participants in long-term programs can earn some income to support themselves. The effect of this change may be to boost retention rates in intensive programs for seriously disadvantaged youth.

Finally, in light of the other proposed changes described above, the provision in S.543 that would allow Governors to approve an increase in the 10 percent "window" for non-economically disadvantaged youth seems inconsistent with the overall thrust of the bill, which is to target services toward those most in need.

Performance Standards: I described earlier how JTPA's performance standards can erect roadblocks to serving highly disadvantaged youth. It is also important to remember that clear performance standards are an important tool for enforcing accountability and enhancing performance in the highly decentralized JTPA system. However, the system for adjusting standards and evaluating performance could be improved in several ways.

Among other steps in this area, S.543 adds "the acquisition of basic educational competency" to the list of performance standards for adults and directs the Secretary to create separate performance standards for in-school and out-of-school youth. Other changes in performance standards should also be considered.

First, direct measures of the employability of the clients served by SDAs -- measured, for instance, by prior employment and welfare history -- should be used to adjust performance standards. The Department of Labor will soon have the data required to make this change, since new assessment and data collection requirements will allow the department to fine-tune the adjustment model. Making this adjustment a requirement -- rather than an optional step, as under current law -- would reinforce the message that the system must accommodate less job-ready clients.

Second, eliminating cost standards as a performance measure, or at least from the formulas used to distribute incentive funds, could reinforce the message that SDAs should serve less job-ready clients in intensive programs. These standards, which can be useful in the daily management of SDAs and service providers, are a poor proxy for cost-effectiveness. Cost information can be misleading, particularly in programs that combine JTPA funding with other funding. Cost standards only reflect JTPA funding, not total program costs, and can penalize resource-poor communities where the opportunities to use non-JTPA resources to augment JTPA funding is limited.

Third, the use of incentive awards should be made consistent with the system's new focus on more disadvantaged clients. The current system, under which programs are rewarded by the extent to which they exceed their standards, encourages programs to enroll less disadvantaged, more employable clients. Instead, increases in measured performance above the standards should not generate more incentive funds for an SDA.

Fourth, and finally, performance standards for adults might be changed, as they have been for youth, to reflect the achievement of intermediate outcomes other than employment. For example, as I noted earlier, S.543 includes a provision that adds "the acquisition of basic educational competency" to the list of basic performance standards. Alternatively, it might make sense to recognize these intermediate outcomes as "process measures" which, while recognized and possibly rewarded, should still lead to an employment outcome before the individual leaves the program.

Contracts: As I discussed earlier, performance contracts between SDAs and service providers can exert a powerful influence on who is served by the system. When contracts stress the performance standards applied at the SDA level, and when SDAs "ratchet up" these standards to provide themselves with a margin for error, service providers may be reluctant to serve less job-ready clients. In order to address this problem, the statute could be amended to make explicit that payment benchmarks for service provider performance contracts can be events other than positive terminations. In addition, SDAs could be encouraged or required to adjust the provisions of contracts to reflect the nature of the population served, in much the same way that SDAs' standards would be adjusted under the recommendation described earlier.

Intake Procedures: In order to remove the "obstacle course" created by complex intake procedures, the statute could be amended to make clear that 100 percent documentation on all aspects of eligibility is not required. For example, the Department of Labor could specify that possession of a valid public assistance identification card is adequate documentation of eligibility, so that SDAs would not always need to require applicants to produce pay stubs or other forms of verification.

Conclusion

The recommendations I have just outlined are based on MDRC's research findings and experience during the last 15 years. However, it is important to remember that, in many ways, knowledge in this area is limited, and there is still much to learn. Nonetheless, the statutory changes I have described may help to target more JTPA resources toward intensive services for seriously disadvantaged clients. This new focus should help to prepare JTPA for the challenges facing our nation.

Senator **Simon**. Our final witness is Mr. Frank LaMere, executive director of the Nebraska Indian Inter-Tribal Development Corporation, Winnebago, Nebraska.

We are very happy to have you here, Mr. LaMere.

Mr. **LaMere**. Thank you, Mr. Chairman, for inviting me to speak with the committee about special programs in JTPA for native American people. I bring greetings to you from scores of native American grantees who are presently gathered in Milwaukee, Wisconsin, meeting on issues of importance to Indian JTPA grantees.

In Wisconsin, I might mention to you it was very interesting this week to note that on the lakes of northern Wisconsin, Chippewa people were being denied the opportunity to provide for their families in traditional ways, and I think it is very appropriate and very fitting that I come here today to talk to you about new opportunities.

Indian tribal Governments and other Indian native American organizations operate special training programs under two separate provisions in JTPA. The main Indian program is in section 401 of Title IV. This program serves approximately 33,000 unemployed, underemployed, and economically disadvantaged youth and adults. It operates both in reservations and off-reservation communities.

In addition, Indian tribal Governments, native Alaskan groups, and one native Hawaiian organization operate youth programs under a special set-aside in section 252 of Title II(B), the current summer youth program.

Indian programs are doing a good job, Mr. Chairman, they really are. They work in communities which face the toughest economic conditions in the Nation. As you know, on many of our reservations most of our people are jobless. I invite you and all the members of our committee to visit our programs. I have attached a brief fact sheet, but these numbers don't tell the story. Our story is about people.

I would like to take my limited time to talk specifically about several aspects of your fine bill, S. 543. We ask that you do three things to make the bill even better:

One, please adjust the funding formulas in S. 543 to keep the current balance between our Title IV and our special youth program in Title II(B). As S. 543 now stands, it would cut the basic Indian Title IV program which serves both youths and adults by 40 percent. We know that this was not done intentionally, and we are sure you will make the necessary adjustments to the funding formulas that apply to both of our programs.

Two, please include Indian grantees in your Fair Chance program. We applaud your efforts to show what can be done to guarantee training and educational opportunities for at-risk youth. The Indian population is the youngest of any group in the country. Since the early 1970's, Indian tribes and Alaska organizations have received direct funding under all the special youth initiatives. Please enable us to participate in this exciting new opportunity.

Three, we urge your committee to consider several changes in the Indian provisions in section 401 of Title IV. Indian programs are being forced off course by what the Federal Government is doing to us. The performance standard system imposed on Indian grantees has many problems. The system uses numbers which have nothing to do with the economic circumstances our programs face.

We cannot ask for adjustments in our computer-based standards so that they will reflect what our conditions really are. DOL refuses to let us seek such adjustments.

But most tragic of all, the system is forcing us to cream, to ignore the needs of our people, to end basic literacy and skill training services because the performance standard system ignores what these services really cost. In short, the system forces us to play a numbers game.

Mr. Chairman, this system is just plain opposed to the basic values of Indian people. We believe in helping each other. The performance standards system doesn't.

Secondly, DOL's oversight of our programs is causing problems. There are at least eight separate staff units in the Employment and Training Administration that have policymaking, grantmaking, or monitoring authority over Indian programs. We sometimes wonder just who is supposed to be in charge.

The paperwork is out of control. The instructions for how we were supposed to write our program 1989 job training plans weighed nearly two pounds. That is for big programs and for small programs.

Some of the DOL staff that monitor our programs say strange things. To use just one example, I was at a DOL meeting a while back where a financial policy expert told us to write checks on accounts we know has no money in them. The DOL monitoring guide for our program says that we are supposed to ignore outstanding checks that haven't yet cleared the bank.

After years of encountering these types of problems, many Indian grantees have come to the conclusion that one reason our programs seem to be so poorly understood inside Labor is that there are too many offices that have a say over our programs and too few Indian people in them.

I have attached a set of specific recommendations for changes in the Indian provisions of Title IV of JTPA.

To summarize, we are asking for three related things:

Please insure that the Labor Department puts the authority for all aspects of Indian programs in one office, an office that knows and understands Indian programs.

Two, please insure that this office is staffed with Indian people, including Indian people in policymaking jobs. After 15 years of being required by law to use staff with particular competence, DOL now employs exactly five Indian people, four of whom are in relatively entry-level-jobs.

Please ensure that there is accountability built into DOL's Indian office, including accountability to Indian tribes and organizations. We want a real consultation process.

Thank you very much for your longstanding support for Indian programs. We want to continue to work with you to strengthen them.

Lastly, Mr. Chairman, because I may not have another opportunity, I want to take the time to acknowledge what you have done for Indian-controlled community colleges. I am the chairman of the board of the Nebraska Indian Community College. We will graduate 28 people on Saturday, and you helped to make that happen.

Thank you very much for everything.

Senator SIMON. Well, I thank you.

[The prepared statement of Mr. LaMere follows:]

Indian and Native American Employment and Training Coalition

Statement of:

Mr. Frank LaMere
Executive Director
Nebraska Indian Inter-Tribal Development Corp.

Representing the:

Indian and Native American
Employment and Training Coalition

Presented to the:

Subcommittee on Employment and Productivity
Committee on Labor and Human Resources
United States Senate

For the Hearing on:

S. 543

Thursday, May 11, 1989 at 10 AM
Room 430, Dirksen Senate Office Bldg.

Information and Coordination Office: 1000 Wisconsin Avenue, Northwest, Washington, D.C. 20007 (202)342-0594

Thank you, Mr. Chairman, for inviting me to speak with the Committee about the special programs in JTPA for Native American people.

My name is Frank LaMere. I am the Executive Director of the Nebraska Indian Inter-Tribal Development Corporation. We operate a job training program which serves the Winnebago and Omaha Tribes in Nebraska, the Sac and Fox Tribe of the Mississippi in Iowa, the Flandreau Sioux Tribe in South Dakota and Indian people living in many off-reservation communities in the states of Iowa and Nebraska.

I am testifying today on behalf of the Indian and Native American Employment and Training Coalition.

Indian tribal governments and other Indian and Native American organizations operate special training programs under two separate provisions in JTPA. The main Indian program is in Section 401 of Title IV. This program serves 33,000 unemployed, underemployed and economically disadvantaged youth and adults. It operates in both reservation and off-reservation communities.

In addition, Indian tribal governments, Native Alaskan groups and one Native Hawaiian organization operate youth programs under a special set-aside in Section 252 of Title II-B, the current Summer Youth program.

Indian programs are doing a good job, Mr. Chairman, they really are. They work in communities which face the toughest economic conditions in the Nation. As you know, on many of our reservations most of our people are jobless. For instance, the Bureau of Indian Affairs recently reported jobless rates of more than 80% on the Rosebud, Standing Rock, Yankton reservations.

I invite you and all the members of the Committee to visit our programs. I have attached a brief fact sheet, but these numbers don't really tell the story. Our story is about people. Please come into our communities to see some of the exciting things which job training has made possible.

I would like to take my limited time to talk specifically about several aspects of your fine bill, S. 543.

We ask that you do three things to make the bill even better:

One. Please adjust the funding formulas in S. 543 to keep the current balance between our Title IV and our special youth program in Title II-B. As S. 543 now stands, it would cut the basic Indian Title IV program, which serves both youth and adults, by 40%. We know that this was not done intentionally, and we are sure you will make the necessary adjustments to the funding formulas that apply to both of our programs.

Two. Please include Indian grantees in your Fair Chance program. We applaud your special efforts to show what can be done to guarantee training and educational opportunities for at-risk youth. The Indian population is the youngest of any group in the country. Since the early 1970's, Indian tribes and Native Alaskan organizations have received direct funding under all the special Federal youth initiatives. Please enable us to participate in this exciting new opportunity.

Three. We urge the Committee to consider several changes in the Indian provisions in Section 401 of Title IV of JTPA.

Indian programs are being forced off-course by what the Federal Government is doing to us. The performance standards system imposed on Indian grantees has many problems. The system uses numbers which have nothing to do with the economic circumstances our programs face. We cannot ask for adjustments in our computer-based standards so that they will reflect what our real conditions are. DOL refuses to let us seek such adjustments.

But most tragic of all, the system is forcing us to cream, to ignore the needs of our people, to end basic literacy and skill training services because the performance standards system ignores what these services really cost. In short, the system forces us to play a numbers game to make some DOL contractor's computer happy.

Mr. Chairman, this system is just plain opposed to the basic values of Indian people. We believe in helping each other. The performance standards system doesn't.

Secondly, DOL's oversight of our programs is causing problems. There are at least eight separate staff units in the Employment and Training Administration that have policymaking, grantmaking or monitoring authority over Indian programs. We sometimes wonder just who's supposed to be in charge.

The paperwork is out of control. The instructions for how we were supposed to write our Program Year 1989 job training plans weighed nearly two pounds.

This is an Indian program, intended to serve small as well as the larger tribes. A small tribe with a very limited JTPA allocation cannot afford even one full time administrative person to work exclusively on JTPA. Yet such a tribe must still wade through all two pounds and hope that it can figure out what paperwork DOL wants. We don't think that makes much sense.

Some of the DOL staff that monitor our programs say strange things. To use just one example, I was at a DOL meeting a while back where a financial policy "expert" told us to write checks on accounts we know have no money in them. This was supposed to be part of DOL's policy on cash management. The DOL monitoring guide for our program says that we are supposed to ignore outstanding checks that haven't yet cleared the bank.

After years of encountering these types of problems, many Indian grantees have come to the conclusion that one reason our programs seem to be so poorly understood inside Labor is that there are too many offices that have a say over our programs and too few Indian people in them.

I have attached a set of specific recommendations for changes in the Indian provisions in Title IV of JTPA. To summarize, we are asking for three related things:

1. Please insure that the Labor Department puts the authority for all aspects of Indian programs in one office -- an office that knows and understands Indian programs.

2. Please insure that this office is staffed with Indian people, including Indian people in policymaking jobs. After fifteen years of being required by law to use staff with particular competence in Indian programs, DOL now employs exactly five Indian people, four of whom are in relatively entry-level jobs. It has been almost ten years since an Indian person has held a policy level job in DOL.

3. Please insure that there is accountability built into DOL's Indian office, including accountability to Indian tribes and organizations. We want a real consultation process. We don't have one despite the fact that the law already requires one. We would like to see the law mandate a process which includes an Advisory Committee named by Indian grantees and answerable to them, not to someone in DOL.

Thank you very much for your longstanding support for Indian programs. We want to continue to work with you to strengthen them.

I would be happy to answer any questions the Committee may have.

Indian and Native American Employment and Training Coalition

FACTS on INDIAN and NATIVE AMERICAN JTPA PROGRAMS

Authorization:

Title IV and the Summer Youth program provisions of the Job Training Partnership Act (JTPA).

Grantee Network:

Nearly 190 tribal governments, inter-tribal consortia, native Alaskan nonprofit regional corporations, urban and rural off-reservation Indian organizations and one native Hawaiian group.

Program Activities:

Wide range of employment and training services, selected at grantee's option, including: skill training, remedial education, job counseling, job placement and work experience.

Program Participants:

Unemployed and economically disadvantaged Indian and Native American workers. Secondary school age, economically disadvantaged Indian youth participate in the Summer program.

The Title IV program serves over 33,000 Indian and Native American workers per year in all parts of the U. S. The Summer Youth program serves an estimated 14,000 youth in reservation areas, Alaska and Hawaii.

Program Impact:

The program helps thousands of unemployed Indian workers upgrade their skills and find jobs. It is also a principal source of support for many reservation and urban Indian economic development projects. Thousands of reservation youth obtain their first jobs the through Summer Youth program.

During the 1987 funding cycle (the last one for which DOL data is available):

- More than half of those leaving the program found employment.

. . . . more

- Over 85% of those leaving the program found jobs, went on to other training or otherwise successfully completed their program activities.

These results were achieved despite the fact that Indian and Native American workers suffer the most severe labor force problems of any racial group.

- Unemployment averages 50% on Indian reservations across the country. In some Indian communities it is measured at 60%, 70% and even 80% of the available work force.
- More than 60% of those in the program had lengthy periods of unemployment or were too discouraged to even look for work before they entered JTPA.
- Almost 25% of those in the program were public assistance recipients when they enrolled in JTPA.

Program Administration:

Program administered by various offices, including the Division of Indian and Native American Programs (DINAP), within the Employment and Training Administration, U. S. Department of Labor.

Reductions since 1981:

In Fiscal Year 1981, the money in all the Indian set-asides in the CETA law totaled $182.6 million. The Indian JTPA set-asides in the FY 89 appropriations bill total $71.9 million. This represents a loss in support for the training of unemployed Indian and Native American workers, in real dollar terms, of 72% over the last eight years.

LEGISLATIVE RECOMMENDATIONS for

IMPROVING INDIAN and NATIVE AMERICAN JTPA PROGRAMS

We urge Congress to:

Strengthen the language currently in Section 401(e) of the Job Training Partnership Act (JTPA) to require the Labor Department to establish a special Indian office which would have full responsibility and authority for all aspects of Indian and Native American programs.

Because:

There are at least eight separate staff units in the Employment and Training Administration (ETA) at the Labor Department that exercise major policy, grantmaking or oversight functions over Indian job training programs, plus two that are outside ETA. There is no central authority or accountability over the Department's handling of Indian programs. Indian JTPA grantees are told to do different things at different times by different staff people in different DOL units.

This lack of accountability and fragmentation of authority wastes federal money and forces grantees to spend their time dealing with conflicting administrative demands instead of improving their services to unemployed Indian workers.

We urge Congress to:

Strengthen the language currently in Section 401(e) of JTPA to require Indian preference in employment in positions, including policy positions, dealing directly with Indian programs.

Because:

For over 15 years DOL has been required by law to employ staff with "particular competence" in Indian employment and training programs in the administration of such programs. The Department currently has 5 Indian people employed in the approximately 24 positions in its "Indian" Division. Four of the 5 are in relatively entry level jobs. None has any policy responsibility of any type. The many other offices that deal with Indian programs have no Indian staff at all.

This means that no one in a policy position at DOL has any experience in how Indian programs operate at the tribal or off-reservation Indian organization level. The result is policy which fails to take into account how Indian tribal governments or other Indian organizations function.

We urge Congress to:

Strengthen Section 401(h)(1) of JTPA to require a meaningful consultation process in the development of all policies affecting Indian programs, including an Advisory Committee selected by and directly accountable to Indian grantees.

Because:

Labor has repeatedly ignored or violated the consultation requirement in the JTPA law. The Department has appointed and abolished advisory groups as it sees fit. It has consistently rejected or ignored recommendations made by grantees. Although it promised to appoint a new, more structured advisory committee almost a year ago, it has yet to appoint any members to it. There is no assurance that, if it does appoint members to this body, they will represent grantees.

The lack of a real consultation process has meant that serious problems in the program, such as the impact of the performance standards system on services to participants and the monitoring process, never get addressed or resolved.

The lack of any accountability to grantees has also meant that paperwork problems have run out of control. For example, the set of instructions for preparing the 1989 grant application was almost an inch thick, weighed nearly two pounds and was very hard to understand.

We urge Congress to:

Protect and enlarge the special Indian funding formulas now contained in Title IV and in the Title II-B youth program. Congress should also set a fixed minimum level, below which the funding amounts cannot go.

Because:

Indian unemployment remains at catastrophic levels. According to a study of the Indian labor force recently published by the Bureau of Indian Affairs, the jobless rate in reservation areas averages nearly 50% of the available work force. Unemployment is an equally serious problem for Indian workers in off-reservation areas.

Despite this need, funding for Indian job training services has been cut almost every year for the last ten years. In inflation-adjusted dollars, funds for the basic Indian training program in Title IV of JTPA has been cut 40% from the level of the comparable program in the year before JTPA started. Since 1981 funding for all Indian employment and training programs handled by DOL has been cut almost 75%.

We urge Congress to:

Expand services to Indian youth by allowing Indian grantees who currently receive direct funding under Title II-B to operate these programs during both the summer and the school year and by providing for Indian participation in any new youth program initiatives.

Because:

The Indian population is the youngest of any racial group in the United States. Many Indian young people live in areas where education and training opportunities are limited and jobs are scarce. Special attention to their needs is urgently needed now.

We urge Congress to:

Encourage the Department of Labor and other Departments and agencies administering Indian programs to enable tribal governments and other grantees to integrate all their human resource development programs, operating them under a single set of federal administrative and programmatic requirements.

Because:

The Congress has set self-determination as the central goal of the federal government's relationship toward Indian organizations. This principle was strengthened in the amendments to the Indian Self-Determination and Education Act adopted by the last Congress and signed into law by the President (PL 93-638, amended by PL 100-472).

DOL insistence on its own systems and policies prevents tribal governments and other grantees from integrating their job training services with other resources directed to grantee-determined development goals.

Senator **Simon**. I am pleased with your report on your community college. Though we have no reservations in Illinois, as you know, I was pleased to sponsor the Privately Controlled Community College Act. One of the things that is a disgrace to this Nation, is that 19 percent of our national adult population are college graduates, and 1.8 percent native Americans are college graduates. We want to do better.

Let me add, not in connection with this bill, though it could be in this area also, I want to have a hearing on an Indian reservation on my jobs bill, to talk about what is happening and what we could do to improve the situation.

Tentatively, we are talking about doing it at the Pine Ridge Indian Reservation in South Dakota. But we are interested also in pulling in people from other areas in to testify. You may want to convey that to some of your colleagues.

Yes?

Mr. **LaMere**. Senator, I will pass that on. I am going back to Milwaukee this afternoon, and I will explain to them of your interest, and I am sure that they will be very glad to hear that. And our people in Winnebago will, of course, be a part of things in Pine Ridge.

Senator **Simon**. Let me just add, I am also going to pass along to the Secretary, when you say it has been almost 10 years since an Indian person has held a policy-level job in the Department of Labor, all of us have to be more sensitive, and that includes Paul Simon. It becomes very easy, when we get involved in these programs, to ignore some very real problems where I think we have special responsibilities.

Mr. **LaMere**. I thank you in advance for doing that.

Senator **Simon**. And I thank you for being here.

Incidentally, what we are going to do with all the testimony is go through your written testimony, and I will ask my staff to do this, point by point. We will examine the ideas. Obviously, we cannot accept all the ideas, but we will try to incorporate what we think are the best ideas. We will be meeting with people from the department as well as members of the Republican Party. Both parties will be represented as we pull this thing together. I think we are going to achieve a substantial agreement on this.

Somewhere, Mr. Ivry, I had marked down to ask you a question here in your testimony.

Basically, it is that your JOBSTART program is not encouraged as much as it should be under the present law. Is that correct?

Mr. **Ivry**. That is correct. There are a lot of constraints to implementing programs like JOBSTART under the current structure of JTPA.

Senator **Simon**. And as we are talking about changing it, would that be of substantial assistance to improving it?

Mr. **Ivry**. Absolutely. I think if the provisions in your bill are adopted along with some other changes, it will be much easier to run the types of programs, programs similar to JOBSTART, in many other communities. And based on the early research evidence, a program like JOBSTART seems to be paying off in terms of educational achievement.

So I think the proposal that you have before the Senate is one that wouldn't lead to easier implementation of these types of programs.

Senator SIMON. Mr. Gartland, one of your suggestions relates to the existence of the commission. And I am not wedded to putting the commission out of business. I have to say in general I start off with a prejudice that we have too many commissions wandering around the Federal Government and nobody knows what they're doing.

What your commission costs, its annual budget is what?

Mr. GARTLAND. $2 million, sir.

Senator SIMON. $2 million.

Mr. GARTLAND. Yes, sir.

Senator SIMON. Forgive me for not knowing. Your position as the new chairman, is that full-time?

Mr. GARTLAND. That is volunteer.

Senator SIMON. Volunteer. That's what I thought.

You are in what field of endeavor?

Mr. GARTLAND. I represent the AMWAY Corporation. You don't remember, but I had the honor of flying with you and Bill Simon, when you asked Secretary Simon to come out and speak in southern Illinois one time, and I was his chief-of-staff at that time.

Senator SIMON. I do remember that. And I had forgotten that. I knew when I saw you I had seen you before somewhere.

Mr. GARTLAND. But we serve as a volunteer. We have an excellent staff. We have about 15 staff members. Some from local and IPA's and back and forth. And the main purpose is to give you—and I think we have failed in the last couple of years—to give you an independent view. The act established the commission to give you independent research on JTPA and employment policy. And I think they have done great studies.

I think there have been some problems perceptionwise in the last couple of years, and I am changing those. And we are going to move forward, sir.

Senator SIMON. Let me ask you this. As an AMWAY executive, you were a businessman. I used to be in business myself. If you were just to say do we take this $2 million and give it to this commission or do we take, say, $500,000 from the Department of Labor and just try to get five independent consultants to look at what we're doing, for example, using the American Indian community? If we spent $500,000 and we spent $50,000 or $100,000 of that looking at the American Indian community and its problems and its potentials and hire an American Indian consultants who were not just somebody from the outside imposing, would we be better off spending $500,000 that way or $2 million on your commission?

Mr. GARTLAND. Of course, I am going to say the $2 million on our commission. But I honestly believe it is a small amount of money to give you that independent—as a businessman, I want to have somebody to look at the forest, who doesn't come in who has a tree in mind. And I think the commission does that. I think it does, it has had an independent stint to itself.

As you know, in our testimony, we have given you—we don't agree with everybody and we shouldn't. We should come from it with a fresh point of view, professionals, but who are not employed by the Labor Department, who are not employed by some other, and give you that independent view.

So, yes, I think it is well served. And as a businessman I do want to go out and get that independent market because my own staff—you will find, as you know, in business, your staff kind of sooner or later they go along with what you think you should hear.

And so I think we give you that independence. I think we do need to give a little quicker turnaround in some of the hot issues that are facing you. I think we have spent too much time on good long studies, but one of the aims that the commission is going to go along with is spending some time and giving you quicker turnaround, because you are our clients, and the President.

Senator SIMON. Let me thank all three of you. Again, we will probably be submitting some questions to you, and we would appreciate getting those returned as quickly as possible so the record can get printed.

We thank you for your testimony.

Our hearing stands adjourned.

Let me just add for the record one other thing. Senator Harkin has asked that his letter to me and the Department of Labor inspector general's report concerning fixed unit price contracting in the JTPA program be included in the hearing record.

[Additional material supplied for the record follows:]

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United States Senate
COMMITTEE ON APPROPRIATIONS
WASHINGTON, DC 20510-6025

May 5, 1989

The Honorable Paul Simon, Chairman
Subcommittee on Employment and Productivity
Senate Committee on Labor and Human Resources
U.S. Senate
Washington, D.C. 20510

Dear Mr. Chairman:

I understand that in the next few weeks you plan to hold hearings on matters relating to the Job Training Partnership Act (JTPA). In this connection, I would like to bring to your attention a JTPA issue that the Department of Labor's Office of Inspector General raised during our recent discussions on their fiscal year 1990 appropriation.

According to Inspector General representatives, when service delivery areas (SDAs) use "Fixed Unit Price Contracts" in the JTPA program, the Employment and Training Administration's regulation allow administrative costs to be allocated entirely to the training category, without any limitation being imposed on administrative costs as required by law. There are strong indications that this has resulted in widespread abuse of the law which limits administrative costs to 15 percent of JTPA funds. As such, the Inspector General has reported to me that in excess of $100 million that should be going to the training of participants is going instead to administrative activities.

I am greatly concerned that the dollars needed for training JTPA participants are being wasted on excessive program overhead. In achieving the objective of having JTPA funds spent on training, I strongly urge you to consider appropriate actions that would eliminate regulations that allow all costs under fixed unit price contracts to be allocated to the training category. I would further request that this letter be included in your coming hearing record.

With kind regards.

Sincerely

Tom Harkin

Tom Harkin, Chairman
Labor-HHS-Education
Appropriations Subcommittee

FIXED UNIT PRICE CONTRACTING IN THE JTPA PROGRAM

INTRODUCTION

During the USDOL/Office of Inspector General (OIG) budget hearings, Congressman William Natcher (D-KY) requested an OIG background and position paper on the use of Fixed Unit Price, Performance-Based Contracting (FUPC) in the Job Training Partnership Act (JTPA) program. We estimate this contracting mechanism is used to procure over $1 billion of JTPA training and services annually.

For all departmental programs, OIG audit emphasis is centered upon assuring federally appropriated funds for program operations are expended as economically and efficiently as possible and any abuse, or potential for abuse, is detected and corrected as quickly as possible. In JTPA, this translates into a concern that the targeted client population receive the maximum benefit from each training dollar expended.

The capability to measure this benefit received from JTPA, or any other program, is directly related to "program accountability." Program accountability requires well-defined goals, comprehensive implementing instructions, and systems of recordkeeping which provide pertinent, complete and accurate data. Legislators, program managers, and auditors can then rely on program data and information when measuring the success or failure of the program.

We are concerned with fixed unit price contracting because the regulation authorizing FUPC (20 CFR 629.38(e)(2)) appears designed to reduce, rather than enhance, program accountability. OIG's review of applicable statutory and regulatory provisions and our audits of JTPA program operators to date have convinced us the regulation:

1) allows Service Delivery Areas (SDAs) to circumvent the 15 percent limitation on administrative expenditures imposed by Section 108 of JTPA;

2) allows and encourages program operators to avoid keeping records "sufficient . . . to permit the tracing of funds to a level of expenditure adequate to insure that the funds have not been spent unlawfully," as required by Section 165 of JTPA; and

3) allows program operators to generate and retain excessive levels of profit.

Before detailing our three concerns, the following background discussion on the regulation's origin and purpose is helpful.

BACKGROUND

In enacting JTPA, Congress wanted to minimize expenditures for program administration and maximize expenditures for training. To accomplish this, Section 108 of JTPA limited Title II-A SDA administrative costs to 15 percent, and limited the combination of administrative and participant support costs to 30 percent. Clearly Congress intended at least 70 percent of JTPA funds to be spent for training.

To comply with these statutory limitations, ETA issued regulations requiring costs to be charged against three categories: training, participant support, and administration. However, ETA went beyond the requirements of the statute and, in a move which had no specific legislative basis, allowed for a departure from the prescribed classification of costs under certain conditions.

Under the program regulations cited at 20 CFR 629.38(e)(2), ETA allows the SDAs to report all payments made under FUPC to the training cost category, without regard to segregating the costs of administration and participant support, if the contract agreement:

> ". . . (i) Is for training;
>
> (ii) Is fixed unit price; and
>
> (iii) A. Stipulates that full payment for the full unit price will be made only upon completion of training by a participant and placement of the participant into unsubsidized employment in the occupation trained for and at not less than the wage specified in the agreement; or
>
> B. In the case of youth, payment for training packages purchased competitively pursuant to section 141(d)(3) of the Act shall include payment for the full unit price if the training results in either placement in unsubsidized employment or the attainment of an outcome specified in section 106(b)(2) of the Act. . . ."

In its March 13, 1989 interpretation of this regulation, ETA has acknowledged that ". . . the source of this regulation was an administrative action on the part of DOL to transfer into JTPA an identical provision from the Comprehensive Employment and Training Act (CETA) regulations. The CETA regulation was adopted after the enactment of the CETA Amendments of 1978, to give flexibility to certain private-sector trainers to bid on a fixed price basis for performance-based training contracts without being required to break out the administrative cost component of their fixed price total."

However, it should be noted the CETA and JTPA provisions are not identical. The CETA provisions applied to classroom training only, and JTPA's provisions apply to any type of training. Further, JTPA training has been defined at the local level to encompass virtually any program activity, including, in numerous cases, activities which are purely administrative in nature.

It is possible that Congress included Section 141(d)(3) in the JTPA in response to the CETA experience. Section 141(d)(3) allows purchases of commercially available training packages to be single unit charged if they are purchased competitively for off-the-shelf prices and include performance criteria. Such purchases typically include computer-assisted learning packages and other advanced learning technology. But Section 141(d)(3) does not provide support for the broad contracting latitude found in 20 CFR 629.38(e)(2). Congress obviously intended that single unit charging was only to be used in very restricted circumstances.

OIG Concerns

Program accountability is necessary to determine how effectively and efficiently program funds are spent. The use of FUPCs as prescribed under 20 CFR 629.38(e)(2) detracts from, rather than adds to, program accountability in JTPA.

1) 20 CFR 629.38(e)(2) allows the SDAs to circumvent the 15 percent statutory limitation on administrative expenditures

ETA has administratively granted the JTPA system permission to charge 100 percent of all FUPC expenditures to the training cost category when written under 20 CFR 629.38(e)(2). OIG's work has shown this regulation results in expenditures being reported as training costs when, in fact, some portion of these costs are administrative or participant support costs. For example, an SDA awarded a multi-million dollar FUPC to a contractor providing services to five counties. The contractor was responsible for administering the JTPA program, monitoring performance, and providing training and services to participants residing in the five county area. The contractor billed the SDA on a per participant basis. The SDA reported all payments made to the contractor as training even though the contractor conducted administrative activities and provided participant support services. By doing so, the SDA made it impossible to determine the actual level of administrative expenditures for this contract and whether the SDA overall exceeded the 15 percent limitation on administrative expenditures.

Since each SDA is limited to spending no more than 15 percent on administrative activities, there is considerable pressure to use FUPCs to obscure the true cost of administration and thus meet the 15 percent limitation. ETA has acknowledged that FUPCs are a form of administrative subsidy, and that FUPCs are now the predominant mode for service provider agreements under Title II-A.

SDAs consistently report administrative expenditures at or near the 15 percent maximum. This ostensible adherence to the 15 percent maximum, coupled with the use of FUPCs as described above, leads us to conclude that the 15 percent limitation is exceeded due to ETA's administrative allowance for single unit charging in 20 CFR 629.38(e)(2). However, even though we are convinced of this statutory violation, we are currently unable to establish or quantify the amount of overage due to an absence of records detailing costs by required category.

2) 20 CFR 629.38(e)(2) allows program operators to avoid keeping records sufficient to permit the tracing of funds to a level of expenditure adequate to ensure that the funds have not been spent unlawfully

In order to adequately assess program performance, program evaluators need accurate information on how funds are expended. Through the use of 20 CFR 629.38(e)(2), ETA has allowed ". . . for simplification of contractor cost billing and accounting in exchange for guaranteed placement of participants." The effect of this simplification has been the elimination of recordkeeping sufficient to "permit the tracing of funds to a level of expenditure adequate to insure that the funds have not been spent unlawfully." (JTPA Section 165(a)(1))

In practice, under these FUPC agreements, contractors are only required to provide documentation to support amounts billed. Essentially, this means that contractors, under agreement to provide training and services leading to placing JTPA participants in jobs, are only required to show evidence of placement. ETA does not require contractors to show evidence of costs or types of costs incurred (i.e. administration, participant support, and training). Thus, legislators and program managers cannot determine if 15 percent administrative funding is adequate, or if it should be increased or decreased. Ultimately, there is no ability to measure the success or failure of the program. Without this accountability, neither Congress nor the Department of Labor can determine how effectively and efficiently JTPA funds have been spent.

3) 20 CFR 629.38(e)(2) allows program operators to generate and retain excessive levels of profit

ETA's regulations, while establishing authority for FUPCs, allow governors to prescribe their own procurement systems. There are no national procurement standards pertaining to award of FUPCs, and ETA has refused to readdress this issue. OIG reviews of FUPC procurements have disclosed that state/local procurement systems do not contain provisions for FUPC methodology and often do not address the unique requirements of procuring training and services. In the absence of adequate procurement standards, the SDAs award FUPCs without exercising prudent evaluation controls.

This lack of evaluation controls and standards has created an environment in which proper cost and pricing analyses are not performed to assure the purchase of the best product at the best price. Also, deliverables are not sufficiently defined so as to require meaningful contractor performance. In this context, contractors propose and will continue to propose unrealistic and/or inflated prices and will take advantage of weak performance requirements to generate excessive levels of profits. Additionally, since FUPCs are performance-based, contractors naturally seek out the easier to serve, more job-ready participants who require less training and/or services to become employable. This "creaming" results in lower performance costs related to contract deliverables and consequently greater contractor profits.

OIG has found these profits are sometimes excessive. For example, a review of 20 FUPCs written by one SDA showed, of the $25.8 million of training funds provided under the contracts, an estimated $4.2 million was claimed as profit and retained by the contractors. Due to a lack of required recordkeeping, however, the degree of profits is often undeterminable.

OIG Recommendations

We have recommended ETA eliminate 20 CFR 629.38(e)(2). OIG believes this regulation allows program operators to violate two important provisions of the JTPA (Sections 108 and 165).

Alternatively, we have recommended that clarifying language and accompanying standards for accountability and control over the use of FUPCs be included in the JTPA regulations. These standards would require recordkeeping to identify contractor expenditures, contractor performance, and profit levels. They would also institute procurement controls to assure economic and efficient purchasing through such contracts and to keep profits at a reasonable level. Profits generated by governmental and nonprofit entities under such contracts would be treated as program income and used to further program objectives. However, we believe elimination, rather than amendment, of this regulation is much more desirable.

ETA Actions

ETA did not adopt either of our recommendations. Instead, ETA issued an "official interpretation" of 20 CFR 629.38(e)(2) which states that elimination ". . . would be profoundly disruptive to the JTPA system, both philosophically and practically."

ETA has suggested in its final official interpretation that ". . . any decision to return to mandatory allocation of all contract costs, including those written as fixed unit price, performance-based agreements would . . . occur most appropriately at the time of future legislative amendment. . . ." We believe congressional intent is clear, i.e. at least 70 percent of JTPA funds are to be spent on training, and recordkeeping is to be sufficient to ensure funds have not been spent unlawfully.

OIG Conclusion

We believe Congress should legislatively reaffirm that the only exception to the requirements of Sections 108 and 165(a)(1) is found in Section 141(d)(3) regarding commercially available training packages. In doing so, Congress should also clarify the limited application of Section 141(d)(3). Such legislation will then assure that Congress' original intent to spend at least 70 percent of JTPA funds on training is carried out.

Section 108 of the Act is amended to read as follows:

"LIMITATION ON CERTAIN COSTS"

Section 108. (a) Not more than 20 percent of the funds expended by a service delivery area for any program year for programs under Parts A, B and C of title II shall be expended for the cost of administration. For purposes of this paragraph, costs of ~~prog. assis~~ employment assistance ~~program support~~ (such as counseling) which are directly related to the provision of education or training and such additional costs as may be attributable to the development of training described in section 204 (b)(14) shall not be counted as part of the cost of administration.

(b) Not less than 50 percent of the funds expended by a service delivery area for any program year for programs under Parts A and C of title II shall be expended for the cost of training as described in Section 204(b).

(c) Not more than the 40 percent of the funds expended by a service delivery area for any program year for programs under Part A of title II shall be expended for the costs of administration and providing necessary supportive services as described in Section 204(c) except that expenditures for administration shall not exceed the level specified in paragraph (a) above. Expenditures may be made in excess of the above limitations for 204(c) services if --

(1) the private industry council for such areas initiates a request for such excess costs, and (2) excess costs are due to one or more of the following conditions in the service delivery area:

(A) an employment rate (in the service delivery area or that portion within which services resulting in excess costs are to be provided) which exceeds the national average unemployment rate by at least 3 percentage points, and the ratio of current private employment to population in such area or portion is less than the national average of such ratio.

(B) the job training plan for such area proposes to serve a disproportionately high number of participants from groups requiring exceptional supportive service costs, such as handicapped individuals, including disabled veterans, offenders and single heads of households with dependent children,

(C) the cost of providing necessary child care exceeds one-half of the costs specified in paragraph ____________

(D) the costs of providing necessary transportation exceeds one-third of the costs specified in paragraph

____

(E) a substantial portion of the participants in programs in the service delivery areas are in training programs of 9 months duration or more.

(3) allowable work experience activities chargeable to the above 40 percent shall be (i) 50 percent of any work experience expenditures where the work experience is of not more than 6 months duration and is combined (concurrently or consecutively) with classroom or another training program; the classroom or other training program component is specified in a preemployment contract or meets established academic standards, and wages paid in the work experience program do not exceed entry-level wages for the same occupation in the same labor market area an individual participant is prohibited from participating in any other work experience program following participation in a program meeting the requirements of (i) above; and (ii) 100 percent of the cost of any work experience program expenditures which do not the requirements of (i) above.

(4) expenditures for tryout employment which meet the requirements of section 205(d)(3)(B) are not chargeable to this category.

(d)(1) Not more than 40 percent of the funds expended by a service delivery for any program year for programs under Part C of title II shall be expended for the costs of administration and providing necessary supportive services as described in section 204(c) except that expenditures for administration shall not exceed the level specified in paragraph a above. Allowable work experience expenditures chargeable to the above 40 percent shall be-- (i) work experience of not more than 12 months duration which is combined (concurrently or consecutively) with a classroom or other training program; (ii) the classroom or other training program component is specified in a preemployment contract or meets established academic standards; and (iii) wages paid in the work experience program do not exceed the prevailing entry-level wage for the same occupation in the same labor market area. An individual participant is prohibited from participating in any other work experience program following participation in a program _______________ the requirements of this paragraph.

(2) Expenditures may be made in excess of the limitation contained in subsection (d)(1) of the need for and the amount of excess is stated in the job training plan (or notification thereof) for the service delivery area and such plan demonstrates that administrative costs comply with subsection (a) of this section.

(3) Expenditures for tryout employment which must use requirements of section 205(d)(3)(B) are not chargeable to this category.

(e) The provisions of this subsection shall not be avialble to the extent that supportive services provided under the job training plan duplicat services provided by any other public or private service that are avialble to participants without cost.

(f) The Governor shall not disapprove any plan (or modification thereof) on the basis of any statement of the need for and amount of excess costs in the job training plan if such plan or modification meets of the requirements of this subsection.

(g) The provisions of this section do not apply to any service delivery area designated pursuant to section 101(a)(4)(A)(iii).

(h) This section shall not be constructed to exempt programs under an approved plan from the performance standards established under section 106.

(i) Notwithstanding any other provision of this Act, all expenditures for programs under this Act shall be for allowable activities in accordance with Section 204 and shall be charged against the appropriate specified cost limitations contained in this section. The Secretary shall not establish any rules, regulations, or interpretations that are in conflict with this provision.

Section 204 Use of Funds.

Services which may be made available with funds proscribed under this may include but need not be limited to --

(a) Employment Assistance ~~Session~~ Services

(1) job search assistance,
(2) job or career counseling
(3) outreach to make individuals aware of and encourage the use of employment and training services, and intake
(4) specialized surveys not available through other labor market information services,
(5) programs to develop work habits and other services to individuals to help them obtain and retain employment
(6) -to-work transition activities,
def (7) job development
(8) disemminating informaiton on program activities to employers
def (9) development of job openings,
(10) coordinating programs with other Federal employment-related activities, and
(11) testing/assessment, in particular an evaulation of educational attainment

(b) Training Services

(1) institutional skill training,
(2) on-the-job training,
(3) programs of advance career training wich provide a federal combination of on-the-job and institutional training and internship assignments which prepare individuals for career employment
(4) training programs operated by the private sector, including those generated by labor organizations or by of private sector employers utilizing private sector facilities, equipment, and pursuant to train workers in occupations for which demand exceeds supply,
(5) retraining
(6) upgrading
(7) literacy training
(8) bilingual training
(9) work experience not chargeable under (c)
(10) vocational exploration
(11) attainments of certificates of high school equivalency
(12) pre-apprenticeship programs
(13) on-site industry-specific training programs supportive of industrial and economic development, and

(14) customized training conducted with a commitment by by an employer or group of employers to employ an individual upon successful competition of that training.

(c) Supportive Services. Supportive services shall be services necessary to enable individuals to participate in a program and to assist them in retraining employment for a period not to exceed 6 months following completion of training and shall include:

(1) child care
(2) needs-based payments necessary to participate in accordance with a totally developed formula of procedure
(3) transportation
(4) follow-up services with participants placed in unsubsidized employment
(5) work experience as defined in section 108(c)(3) for programs under Part A
(6) work experience as defined in section 108(d)(1) for programs under Part C.

Need definition of administration as it relates to above categories.

PROGRAM INCOME

All revenues in excess of standard costs are to be treated as program income and are to be retained by the service delivery area and expended for allowable activities under this Act and in accordance with the cost provisions of this Act. Such expenditures shall be recorded and reported to the Department of Labor. Revenues shall be used for authorized activities for programs under the section of the Act from which the revenues were identified. The Secretary of Labor shall not establish any rules or regulations which are in conflict with these provisions.

REPORTING

The Secretary shall establish reporting requirements under this Act that shall provide for States to report activities necessary for the Secretary to appropriately determine the level and quality of activities being carried out pursuant to this Act on a basis no less frequently than quarterly. The Secretary shall also establish reporting requirements that shall require States to report on activities being carried out by substate areas and service delivery areas under this Act no less frequently than twice each program year, except that the Secretary shall require information needed to make necessary judgments regarding mandatory reallocation to be reported no less frequently than quarterly.

REALLOCATION

Section (a) For program year beginning July 1, 19__, and thereafter, for programs under Parts 4 and C of title II the Secretary shall at the end of each program year, in accordance with the requirements of this section, reallot to eligible States the funds allotted to States from funds appropriated for such program year that are available for reallotment.

(b) Amount Subject to Reallotment. The amount subject to reallotment shall be equal to --

(1) the amount by which the unexpended balance of the State allotments at the end of the program year exceeds 20 percent of amount allotted to the State for each program year; plus

(2) the unexpended balance of the State reallotment from the program year prior to the program year in which there is such excess.

(3) the total amount reallotted should be from the current year allotment.

(c) States eligible to received Reallotted Funds. States eligible to receive reallotted funds shall be determined in accordance wit procedures established by the Secretary. Such procedures shall include at least the following factors --

(i) a State shall not have been subject to reallotment of funds for the program year for which funds are being reallotted for the Part for which funds are being reallotted; and

(ii) A State shall have an unemployment rate greater than the national average unemployment for the most recent 12 months for which satisfactory data are available.

(d) Method of Reallotment. Funds shall be reallotted among eligible States in accordance with procedures established by the Secretary.

(e) Reserve Funds. For purposes of this section, funds awarded from discretionary funds of the Secretary shall not be included in calculating any of the reallotments described in this section.

American Federation of Labor and Congress of Industrial Organizations

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March 27, 1989

Honorable Paul Simon
United States Senate
Washington, D.C. 20515

Dear Senator Simon:

The AFL-CIO supports many of the provisions of S. 543, the Job Training Partnership Youth Employment Amendments of 1989, particularly those that call for an increase in funding for programs serving economically disadvantaged adults and youth. We commend you for your interest in youth services in particular and your efforts to restructure local planning and programs to allow for greater input from groups such as organized labor. However, we do have specific concerns regarding the exact nature of this restructuring.

Sec. 2 Authorization of Appropriations

The increase in Title IIA and B funding for economically disadvantaged adults and youth is welcome; however, we would like to see, as well, a commensurate increase in funding for programs serving dislocated workers. Additionally, it is important to assure that level funding for Title IV national programs be preserved, since it is tied to Title IIA funding in this legislation.

Sec. 4 Private Industry Councils

PIC Labor Representation

The bill requires that no less than 17% of the PIC membership be from organized labor and community-based organizations. If this membership were evenly divided labor would have 8.5% and CBO's 8.5%. However, based on national estimates, currently organized labor representatives constitute 8% of PIC membership. Therefore, this legislation would not significantly increase labor representation if membership is shared equally with community-based organizations. Our experience indicates that it is also unlikely that local PICs would in most cases voluntarily increase labor participation beyond the shared 17%.

To help assure greater labor and CBO participation, we recommend that the Senator's original proposal be reinstituted which will require 25% of the PIC membership be accorded to organized labor and community-based organizations.

Selection of Labor Representatives

The language which requires labor representatives to be selected "from individuals recommended by recognized state and local labor organizations" should be expanded to include specific reference to state AFL-CIO central bodies and local AFL-CIO central bodies. Too often local officials appoint labor representatives whose only relationship with the labor movement is that they hold (or held) a union card. Involving the state and local AFL-CIO central bodies in the selection process will assure that the labor representatives speak for and are responsible to the entire labor movement on job training matters.

We have serious concerns about language in this bill which states that: "If the state or local labor organization cannot adequately meet the labor representation on the private industry council then individuals from unorganized labor may be included on the council to complete the labor representation." This language should be deleted from this legislation. Every area of the country is covered by a state or local AFL-CIO central body. We can assure Congress that if approached for nominations, either the local AFL-CIO central body or the state AFL-CIO central body would produce a viable labor representative for every private industry council.

The AFL-CIO has urged state AFL-CIO bodies to become more active on restructured State Job Training Coordinating Councils established under the Economic Dislocation and Worker Adjustment Assistance Act and are prepared to work closely with these bodies as well as local AFL-CIO central bodies to assure full labor representation on local PICs. The AFL-CIO Human Resources Development Institute continues to provide ongoing technical assistance and information to AFL-CIO central bodies as well as labor JTPA representatives on JTPA issues.

PIC Chair

We support the ability of the local PICs to "elect" their chairs from any sector of its membership. This would certainly help democratize the process of chair selection and provide important opportunities for other sectors to gain a leadership role in these programs.

Sec. 10 Use of Funds

We encourage the implementation of needs-based payments for participants in Youth Employment Programs under JTPA. However, compensation in the form of work experience wages should be set at the minimum prevailing wage for such entry level positions. Workers regardless of age or program service category should be accorded the standard prevailing wage for the position hired.

Sec. 13 Exemplary Youth Programs

The AFL-CIO has previously expressed its concerns regarding "tryout employment for youth" where compensation in lieu of wages can be pay for up to 250 hours of work. As we noted above, it is simple justice to provide a decent wage for a JTPA participant, regardless of age, when placed in a job at a public or private worksite.

Sec. 14 Fair Challenge Youth Employment and Training Challenge Grant

In establishing programs under this section, we would recommend that certain representatives of the State Job Training Coordinating Council, including the labor representatives serve on the state advisory group. Additionally we would recommend that representatives of the State Apprenticeship Council serve on such a body. State Apprenticeship Councils should also be specifically designated part of "eligible consortia" to receive grant funding.

Sec. 15 National Commission for Employment Policy

Although we have differed with efforts of the previous administration to politicize the National Commission for Employment Policy, we believe that the intent of Congress was sound in continuing the Commission under JTPA. If properly structured the Commission can perform valuable research and policy analysis for the administration and the Congress. As such we would recommend that this bill indicate strong Congressional commitment to monitor the activities of the Commission and to assess its results.

In conclusion our concerns rest primarily with the proposal to allow unorganized workers to represent organized labor on local Private Industry Council. For the reasons cited above we feel that such an action would run counter to the overall objectives of the Job Training Partnership Act as well as your own goals to increase more balanced Private Industry Councils.

The AFL-CIO respectfully requests that this letter be included in the hearing record.

Sincerely,

Robert M. McGlotten

Robert M. McGlotten, Director
DEPARTMENT OF LEGISLATION

May 25, 1989

SENATE SUBCOMMITTEE ON EMPLOYMENT AND PRODUCTIVITY

Hearings Considering Amendments to the Job Training Partnership Act

Written Statement Submitted by Forrest P. Chisman, Director of the Project on Adult Literacy, Southport Institute for Policy Analysis, Washington, D.C.

I greatly appreciate the opportunity to submit this written statement to the Senate Subcommittee on Employment and Productivity as it considers amendments to the Job Training Partnership Act (JTPA).

Although I believe the Committee's consideration of all aspects of the Act are of the greatest importance, I will limit my statement to comments on provisions for enhancing the basic skills or literacy of adult participants in JTPA programs. I believe that problems of workforce quality and literacy are among the most important issues that our nation faces, and I also believe that the Job Training Partnership Act provides us with the greatest opportunity to improve the level of literacy and basic skills of the workforce. I applaud Senator Paul Simon for his foresight in this area, as well as his legislative efforts, Job Training Partnership Act Youth Amendments of 1989 (S. 543), to redirect JTPA programs toward a greater emphasis on providing basic skills and literacy training for adults and youth lacking such skills.

This bill takes critically important first steps to encourage the provision of basic skills services to adult JTPA participants by including a new performance standard on basic skills acquisition, allowing basic skills assessment, and acknowledging that the provision of basic skills training will impact cost factors at the service delivery area level. I sincerely support the direction in which these provisions would take the adult program but firmly believe that with some additional language their potential for positive change would be greatly enhanced.

My thoughts on strengthening the "Job Training Partnership Act Youth Employment Amendments of 1989" (S. 543) can be stated in four recommendations.

1) STRENGTHEN THE WORKFORCE LITERACY COMPONENTS OF TITLE II-A, THE ADULT PROGRAM *

- Define workforce literacy as the basic skills (reading, writing, and problem-solving and communication) needed by workers to access the labor market, advance within business and industry, and take advantage of job-specific training. This recognizes that literacy is a "moving target" and accounts for local variances in need.

- Require Private Industry Councils to assess the workforce literacy skill levels required by local employers.

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- Strengthen the basic skills performance standard by measuring success in terms of significant learning gains made by the participant toward workforce literacy.
- Weigh the cost factors, rather than develop separate performance standards, to recognize the additional cost of providing workforce literacy training.
- Require programs to serve a minimum percentage, 40 to 50 percent, of people with low workforce literacy levels.
- Require programs to provide (workforce literacy) the basic skills training to participants that their assessments indicate they need.
- Establish a continuing eligibility for participants who need additional workforce literacy instruction for at least one year after they become employed. I believe that rapid placement should continue to be a major goal of JTPA (because participants have income requirements) but it requires more time than most participants spend, or should spend, in the program to significantly improve their basic skills.
- Give priority to participant placements with firms that provide workforce literacy services to their employees or that will work with PICs or other agencies to develop those services.

* NOTE: Similar provisions should be applied to Title III, to provide a workforce literacy perspective for the dislocated worker programs.

2) MAINTAIN AND STRENGTHEN THE GOVERNOR'S 8% EDUCATION COORDINATION SET-ASIDE FOR ADULT AND YOUTH WORKFORCE LITERACY

- The 8 percent set-aside should be maintained because in many states it is presently an essential stream of funding for literacy and related programs. To reduce or eliminate it would have catastrophic consequences in those states and set back the literacy effort nationwide.
- Because it is contained in the Job Training Act, however, the 8 percent set-aside funding should be targeted more squarely on workforce literacy by strengthening the current language in Sec. 123 to require the use of funds for the development of quality state-wide basic skills programs for youth and adults.

3) ESTABLISH A NATIONAL DEMONSTRATION EFFORT ON WORKFORCE LITERACY TARGETED AT THE WORKING POOR WHO ARE MARGINALLY LITERATE

- I suggest a $100 million discretionary grant program to be administered by the Secretary of Labor for these purposes. Such a program would encourage private sector investment in workforce literacy. I believe that business will be reluctant to make significant investments until there are some large-scale success stories that demonstrate clearly how such investments can best be made and how they can positively affect the corporate bottom line. I further believe that the urgency of the workforce literacy problem renders it in the public interest for government to assist in the development of such success stories.

- Authorize large-scale public/private partnerships in workforce literacy under Title IV, the national programs, to provide workforce literacy training to currently employed workers who have low levels of basic skills and have limited opportunity for long-term employment or advancement.

4) CREATE INCENTIVES FOR INVESTMENT IN TEACHER TRAINING AND LEARNING-BASED TECHNOLOGIES

I believe that simply mandating more literacy services, whether through JTPA or any other program, will not solve the problem. Despite a great many examples of excellence, the nation's overall system of delivering literacy services is weak, fragmented and too often ineffective. There are practically no full time professional literacy or basic skills instructors in the United States, and the part-time instructors that constitute the bulk of the teaching force are badly in need of pre-service and in-service instruction, as well as more adequate materials, information about the state-of-the-art teaching techniques and compensation that would bring them closer to the salary levels of other teaching professionals.

To address the problem of workforce literacy the United States must simultaneously upgrade the field as a whole and mandate more service. Doing either one of these things by itself would be a recipe for failure. We would end up with either a more expensive system that produces few worthwhile results or a high quality system with no program dollars to run it. What we must create very quickly is a high quality system with adequate funding.

Therefore, Congress should:

- Authorize a federal grant program that would match (on a one-to-one basis) up to 4% of each state's federal JTPA allocation for each of the following two purposes:

  A) Training teachers to provide basic skills instruction; and

  B) Purchasing or developing technology-based learning systems or services.

  JTPA primarily functions through contracting out for services. Therefore, Service Delivery Areas or Private Industry Councils must be allowed to invest in these activities either through their direct service programs or with their service providers.

- Require that teacher training programs established under these provisions must be open to all public and private providers of basic skills instruction within a reasonable geographic proximity of where the program is to be carried out, on as-available basis and at no greater charge than the incremental cost of including additional participants in the program.

- Require that the purchase and development of technology-based learning systems and services be carried out through collaborative efforts with state and local vocational and adult education authorities, whenever possible. The goal of this requirement should be to maximize the common use of these systems and services by all programs providing basic skills instruction.

- In furtherance of that goal, require that all technology-based instructional systems purchased with JTPA funds must be available free or at cost, when they are not in use by the JTPA program, to all other non-profit basic skills providers. Furthermore, any individual enrolled in any federally supported basic skills program should be categorically eligible to use these instructional systems or services, on as-available basis, and the JTPA programs shall be reimbursed by the programs in which individuals are enrolled at a rate not to exceed the incremental cost of this additional usage.

CORPORATION FOR PUBLIC BROADCASTING

Donald E. Ledwig
President and
Chief Executive Officer

May 25, 1989

The Honorable Paul Simon
Subcommittee on Education, Arts and Humanities
Committee on Education and Human Resources
United States Senate
Washington, D.C. 20510

Dear Senator Simon:

It has come to my attention that the subcommittee on Education, Arts and Humanities conducted a hearing on illiteracy on May 4 and May 18, 1989. I would like to offer for inclusion in the record of your hearing a description of just one effort undertaken by the Corporation for Public Broadcasting (CPB) and the public broadcasting community to focus attention on this critical issue, Project Literacy U.S. (PLUS).

CPB is a private, nonprofit, nongovernmental corporation authorized by the Public Broadcasting Act of 1967, to facilitate the development and distribution of high-quality public service programs for all Americans. Since its inception, the Corporation has taken a leadership position that education is critical to the economical and social well-being of America and its ability to communicate and compete in a global marketplace. Toward that end, CPB has devoted substantial funding for a variety of educational programs and services and outreach campaigns.

The Public Television Outreach Alliance (PTOA), which is funded by CPB, is one of the most successful public service awareness projects ever developed by public broadcasting. The objective of PTOA is to provide research, leadership, compelling programming, and the support materials that enable American public television stations to conduct locally each year one or two outreach campaigns directed against major social problems facing this country. Previous campaigns have dealt with issues such as substance abuse, AIDS, and illiteracy.

Project Literacy, U.S. (PLUS) was initiated in 1985 with a CPB research and development grant to station WQED-TV in Pittsburgh, PA. Before the project was ready for presentation on public broadcasting, the unique partnership between Capital Cities/ABC and PBS was forged. This partnership in programming, promotion, and distribution, along with CPB-funded programs at National Public Radio (NPR), including Spanish language versions, created the wide-ranging PLUS project, now entering its fourth year.

During that time, WQED and the PTOA, along with public television stations, created and nurtured 366 local PLUS Task Forces. It is through these local task forces, as well as the nationally available programming on PBS and ABC, that adult learners are reached and helped. For example, since the inception of PLUS in 1986, the National Literacy Contact Center has received nearly 400,000 calls on its hotline. Of these, 17 percent are from viewers and listeners volunteering to tutor adults, and 33 percent are from adults who, themselves, wish to enroll in classes. The remaining calls are for additional information about literacy, many from anonymous callers who want information for a friend or relative. When PLUS programming was introduced on PBS and ABC, these national hotline calls increased from an average of 2,000 calls per month to 17,561. This number represents only those calls placed to the national phone number, it has not been possible to quantify those calls to the many local and state hotlines.

Currently, WQED, through the University of Pittsburgh, is updating its information on the status of the local Task Forces. While the survey is not complete, preliminary results show that most of the Task Forces, formed in 1986, are still in existence. About 30 percent of them have become incorporated as on-going nonprofit entities. Many have been merged under the umbrella of other community agencies, ensuring their stability and continuation. For example, in Ohio, there are 15 PLUS Task Forces. Both local and state literacy hotlines have been established. In Cleveland, the Greater Cleveland Literacy Coalition reports that staff members continue to work on maintaining and initiating tutoring programs, in organizing a workplace literacy conference. In Cincinnati, the Greater Cincinnati Literacy Task Force, housed at WCET, is incorporated, raising funds for adult literacy programs, maintaining a local hotline, and working with the daily newspapers to spread the word about its services.

In neighboring Kentucky, interest in using television to assist adults in becoming literate predated PLUS. At about the time PLUS began, Kentucky Educational Television (KET) was just completing its revised "GED On TV" project. KET made the new series available, free for one year, to all public television networks. Nine individual cities, including Chicago, now have acquired extended rights to use the service.

In Kentucky, over 6,000 adult students have enrolled in "GED On TV" since its local release in 1985-86. Of those enrollees, 82.5 percent have received their GED and of the graduates, 84.5 percent say they would not have received it had they not enrolled in "GED On TV." Along with GED, Kentucky also offers two CPB-funded revised courses, "Learn to Read," for beginning adult learners; and "Another Page," for those at the pre-GED level.

Recently, the Chicago Literacy Coordinating Center (CLCC), which was established in July, 1987, released a report on the status of Chicago's literacy service delivery system. The CLCC is using this report to inform the Chicago business community, policymakers, and interested others of the need for more literacy programs, resources, and volunteers, and to outline ways they can begin to help. Their goal is to create a partnership between every literacy site in Chicago with a local business.

There are currently 27 Task Forces in the state of Illinois offering a wide range of services and programs. One excellent example is WSIU-TV/Carbondale. The production of WSIU's local Youth/PLUS program was an exciting collaborative effort between the Dean of Southern Illinois University's College of Education and specialists on his staff in literacy and early childhood education, the Youth Services Coordinator at the local community center, and a representative from the Literacy Connection. Some of the program's discussion, which addressed the home, school, and community's role in encouraging reading, centered on the implications of a state reading assessment released by the Illinois State Board of Education. Dean Beggs concluded the program by issuing a call to action for southern Illinois residents to improve reading skills at every age.

During the first two years of PLUS, there was a 14 percent increase in Adult Basic Education (ABE) enrollment and a 40 percent increase in the number of volunteers working in adult education. According to Former Secretary of Education, William Bennett, "The PLUS campaign has been a major contributor to this progress." In addition to the ABE enrollments, volunteer literacy organizations such as Literary Volunteers of America, and Laubach Literacy International, also report significant growth in their programs since the inception of PLUS.

During the three years of PLUS, 132 national organizations have lent their support, publicizing the literacy effort and establishing PLUS as a priority for their members. Each year, PLUS has had different facets of literacy as its goal. In year one, the focus was raising awareness and an ABC poll before and after the broadcasts showed a significant increase in the general public's awareness of the illiteracy problem as well as its recognition of the importance of solving the problem. In year two, the focus was on heightening the sensitivity of business and industry to literacy needs of the workforce. To that end, more than 410 "Business Breakfasts" were held across the country, with a national breakfast hosted by Mrs. George Bush in Washington, D.C. The business awareness effort continues today. For example, the state of Oklahoma, which was unable to organize business breakfasts in 1987, recently held 91 in that state.

In year three, PLUS concentrated on breaking the cycle of intergenerational literacy, with an emphasis on parents and their children. In the first two months after the October 1988 broadcast of "First Things First," over 400 educators and reading professionals requested copies of the program to share with others in their field. PLUS 3 continues to turn out nonbroadcast video materials to aid the Task Forces, the state literacy directors, governor's offices, and the national support organizations. These include a fund-raising primer; "Parenting Strategies for Accessing Schools," for disadvantaged parents; and "Three A's for Professionals," discussing awareness, access and advocacy techniques that professionals can use in working with low-literate parents. The latter two tapes, along with the print materials, are also available in Spanish language versions.

PLUS 4, "One PLUS One -- Connecting with Kids," to air in Fall 1989, will concentrate on the importance of adult mentoring at a critical juncture in one's life, helping children and young adults before they "drop out," to acquire the skills and knowledge they will need to become responsible and fulfilled citizens.

CPB applauds the Subcommittee's efforts to focus greater attention on the importance of literacy in America today. As always, we are pleased to offer our views and pledge the Corporation's commitment to assist in any way possible.

Sincerely,

Donald Ledwig

Donald E. Ledwig
President and
Chief Executive Officer

Senator SIMON. The hearing record will remain open for about 10 days for submission of questions and responses.

[Whereupon, at 12:55 p.m., the subcommittee was adjourned.]

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